Daily Report

Latin America

FBIS-LAT-94-164
Wednesday
24 August 1994

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FBIS-LAT-94-164 *24 August 1994*

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Cuba

Government Announces Changes in Emigration Policy

PA2308173094 Mexico City NOTIMEX in Spanish 1711 GMT 23 Aug 94

[Text] Havana, 23 Aug (NOTIMEX)—The Cuban Government announced today that for the first time in 35 years, it will authorize the legal residence of its citizens in the United States and will expand the conditions of their temporary stay out of the country.

Radio Reports Changes

FL2308181394 Havana Radio Rebelde Network in Spanish 1700 GMT 23 Aug 94

[From the "National Radio News"]

[Text] Jose Cabanas, director of the Cuban Foreign Ministry's Department of Emigration, has confirmed that the Cuban Government has reduced the age limit for those wanting to travel abroad from 20 to 18. Cabanas also confirmed that the period of time for the temporary exit of Cubans abroad was being extended to 11 months, maintaining the system of extensions at each one of the Cuban consulates abroad. On the possibility of the definite repatriation of Cubans residing abroad, Cabanas confirmed that they would only accept such petitions from citizens who have not participated in activities against Cuban state security. For these repatriated people, most of whom are older, the Cuban Government would guarantee, among other things, housing and some economic support if they are of retirement age.

Cabanas also announced the possibility of granting, at least for now and with a restrictive nature, permission to any Cuban citizen to live abroad, including the United States. Those who obtain this permission from Cuban authorities do not need permission to reenter the country when they wish to do so.

Finally, national and international public opinion has also been informed that beginning in September, Cuba's CORREO magazine will begin circulating in 30 countries, an idea that corresponds to one of the agreements of the Nation and Emigre Community Conference held on 30 April at the Convention Center. The entrance of Cuban youths residing abroad who wish to attend Cuban universities has also been approved, but that is restricted to 15 per year.

More Details on Announcement

PA2308201094 Havana Radio Havana Cuba in Spanish 1903 GMT 23 Aug 94

[By Ruben Cortes]

[Text] Havana, 23 Aug (PL)—Cuba announced today substantial changes in its migration policy that will allow Cubans residing abroad to repatriate for good and visit the country without previous requirements.

Jose Cabanas, high-ranking official of the Foreign Ministry, reported to the national and foreign press the adoption of four measures that modify as of this Tuesday [23 August] the legislation that regulated the migration of Cubans during the last 35 years.

According to these measures, persons with residence status abroad (including the United States) will be able to come to Cuba without having to request visas to Havana.

In addition, the emigres who wish to return to live in Cuba will be able to do so as long as they did not participate in activities against the security of the Cuban state while they were staying in another country.

According to Cabanas, a considerable number of emigres—basically old people—have expressed their desire to return to the island for good.

The changes reduce from 20 to 18 years the age limit for those who want to travel temporarily abroad, bearing in mind that 18 years in Cuba is considered the age at which a citizen acquires full legal rights.

Finally, the Cubans will be able to visit any country for a period of time up to 11 months, instead of the 6 months established up to now.

Cabanas explained that the new measures do not abolish those measures that prevent the persons who left Cuba illegally from returning to the country, while those who traveled legally will be able to return 5 years after they left.

He said that these decisions are the result of discussions during the Second Conference on the Nation and Emigration, held late last April in Havana with the participation of Cubans residing in more than 40 countries.

He added his government is opposed to the illegal departure of citizens to the United States and considered the attitude Washington assumed in recent days "the result of contradictions."

"We tried to dissuade would-be rafters as much as we could," but this is difficult because the U.S. Administration insists on promoting the illegal exodus.

Cabanas, who is responsible for the Foreign Ministry's Directorate of Affairs of Cubans Residing Abroad, stated the United States promotes the proliferation of "rafters" through a psychological warfare, with over 1,000 weekly hours of radio transmissions to Cuba.

"It is not a spontaneous phenomenon, it is a provoked one," the official stressed, adding the White House policy on the emigration of Cubans affects the interests of most members of the Cuban community in the United States.

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According to the spokesperson, a package of measures against the island, which President Clinton announced last Saturday, is based on political contradictions, because it seeks to satisfy rightist groups that do not represent most Cuban exiles.

Clinton announced the total suspension of sending cash remittances from Cuban American families to their relatives on the island and a reduction of an unspecified number of commercial flights between both countries.

The U.S. Administration also announced it will present before the United Nations human rights resolutions against Cuba and will increase radio transmissions against the government of the neighboring country from U.S. territory.

Havana Radio Notes U.S. Efforts on Illegal Immigrants

PA2408031494 Havana Radio Havana Cuba in Spanish 0100 GMT 24 Aug 94

[From the "Evening Information Review" newscast]

[Text] U.S. Government Spokesperson Dee Dee Meyers has reported efforts are being made with Central American and Caribbean governments to send the illegal Cuban immigrants, who are denied entrance to the United States, to those countries.

One of the countries mentioned is Suriname. The Surinamese Government has stated, however, the statements indicating it is willing to accept 2,500 Cubans are clearly based on a misunderstanding, because it has just taken note of Washington's request and has not decided on the issue.

Likewise, Costa Rican Foreign Minister Fernando Naranjo has said his country is unwilling to accept the U.S. request to receive the Cubans who are attempting to reach U.S. coasts. The Costa Rican position concurs with the one held by the Nicaraguan Government. Foreign Minister Naranjo has said his government's policy on this matter is the same one it maintains with the Haitians. The Costa Rican official added they will ask the UN Permanent Council to study the case of Cuba, a country which is confronting a serious economic crisis and has endured a tough U.S. economic blockade for more than 30 years.

The U.S. Department of Defense has announced it has already reinforced its presence in the waters between Cuba and Florida, adding it is studying the possibility of sending medical personnel to the base in Guantanamo due to the soaring increase of illegal Cuban immigrants. The Cubans will soon saturate the capability of the installations which were provided to receive them.

Moscow's Calls for Dialogue With U.S. Noted

PA2308141894 Havana PRENSA LATINA in Spanish 1328 GMT 23 Aug 94

[Text] Moscow, 23 Aug (PL)—Russia today called for the beginnning of a constructive Washington-Havana dialogue to seek solutions to their differences, worsened in recent days with the increase in tension resulting from the immigration issue.

Russian Foreign Ministry Spokesman Grigoriy Karasin reiterated that Moscow's position regarding the prolonged dispute is to fully support the beginning of constructive talks to overcome all differences.

In a news conference in this capital, Karasin expressed concern over the recent incidents in Cuban-U.S. relations, which only represent—he asserted—new elements of tension.

The only way to overcome the crisis in relations between Washington and Havana is to hold a constructive and open dialogue, the spokesperson remarked.

In statements to the media days ago, Julio Garmendia, Cuban Embassy charge d'affaires in Moscow, reiterated his country is ready to hold talks with the United States without preconditions, on a just and equal basis and, above all, with mutual respect.

Garmendia termed the White House policy hypocritical because it ignores the immigration accord signed with Havana, whereby it should grant 20,000 annual visas to Cuban citizens wishing to travel to the United States.

Robaina Not Seeking Regional Support for Dispute With U.S.

PA2308172594 Havana Radio Havana Cuba in Spanish 1300 GMT 23 Aug 94

[From the "Morning Information Review" newscast]

[Text] Cuban Foreign Minister Roberto Robaina will meet today, Tuesday, with Carlos Figueroa, his Chilean counterpart. The topic of the resumption of diplomatic relations between the two countries is not on the agenda, however. Shortly after his arrival in the Chilean capital, Robaina said the purpose of his visit is not to discuss the resumption of diplomatic relations. He said there is a process of familiarity that has to be further strengthened.

After meeting with President Eduardo Frei, the Chilean foreign minister said his meeting with Robaina will be held with an open agenda and that no joint declaration will be issued and no document will be signed.

Robaina arrived in Chile on Monday from Ecuador. His visit to Chile will last until Thursday. He will have lunch today with his Chilean counterpart Figueroa. Later he will meet with Public Works Minister Ricardo Lagos and with the members of the foreign trade commission of the Chamber of Deputies.

Robaina, who is on a tour of Latin American countries which include Bolivia, Brazil, Panama, and Costa Rica, in addition to Chile and Ecuador, denied he is seeking regional support for Cuba's confrontation with the United States or to have a third country act as mediator between the governments of the two countries.

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Latin America emerged this year as the principal trade partner of Cuba. The government of Havana has given prominence to the region in its new scheme of international relations.

GRANMA Editorial Calls for U.S.-Cuban Talks

PA2308181294 Havana PRENSA LATINA in Spanish 1538 GMT 23 Aug 94

[Text] Havana, 23 Aug (PL)—The principal Cuban daily today called on the United States to discuss with Cuba essential issues [word indistinct] bilateral relations, at a time when there are serious problems following the latest measures adopted by the U.S. executive to intensify the economic blockade.

A commentary by the morning newspaper GRANMA, the official organ of the Commmunist Party of Cuba (PCC), said a series of pronouncements have been made in Washington denoting incoherence and even disorientation on the way to deal with the illegal immigrants issue.

The commentary signed by Nicanor Leon Cotayo, expert on U.S.- Cuban relations, stated there are contradictions between the statements made by different White House spokesmen who, in some instances, threatened Cuba with a naval blockade.

Meanwhile, the commentary added, Peter Tarnoff, U.S. assistant secretary of state for political affairs, explained in a news conference that the United States wishes to discuss with Cuba the possibility of developing legal immigration, within the framework of periodical discussions by both parties on the issue.

GRANMA stressed Washington's policy is influenced by the electoral advisers of President William Clinton, who have set out the goal of winning the State of Florida in the 1996 elections at any rate, under the premise that the vote of Cuban residents is key.

The article noted that current presidential advisers with decision-making power on the issue of Cuba have damaged things that are very sensible for most Miami-based Cuban families.

Among them are the total prohibition on U.S. residents sending monetary resources to their relatives on the island and the reduction of flights between Miami and Havana, as Clinton announced.

That is why, the article continued, no one should be surprised that in their inflexible attempt to please Florida's Democrat Governor Lawton Chiles and Miami's political mafias, the advisers did not hesitate to suggest taking some illegal immigrants to Guantanamo Base, thereby violating the very 1903 Treaty.

Leon Cotayo recalled that this treaty, which Washington so often mentions and which was imposed following the military occupation of the island, establishes in its text that Cuba maintains sovereignty over the base territory and only grants the United States the right to use it by the Navy; therefore, it cannot be used to set up concentration camps.

The statements, opinions, and controversies resulting from the current situation [words indistinct] could create a set of more or less contradictory viewpoints, the commentator warned.

But this must not prevent us from making it clear that, in line with inviolable principles and principles not guided by electoral interests, the core of this problem lies in the blockade, and it is essential to sit down with us to discuss ways to cut the tree trunk and not the branches, the editorial concluded.

U.S. Secretary of Defense Warns Cubans To Stay Home

FL2308212794 Havana Radio Rebelde Network in Spanish 1700 GMT 23 Aug 94

[Text] U.S. Secretary of Defense William Perry warned Cubans who try to reach the United States on rafts that they have little possibility of reaching that country, and that if they were to reach U.S. coasts, their destiny would be the U.S. Naval Base in Guantanamo Bay. The head of the Pentagon, interviewed by the ABC and NBC networks, reiterated that Cubans should not risk their lives at sea because that is a very dangerous operation.

Meanwhile, a report from EFE indicates that Peter Tarnoff, the U.S. undersecretary for political affairs, confirmed that the United States is discussing with other nations of the Caribbean the possibility of creating other points of confinement for the Cuban emigres, who will not be given permission to enter that territory. Tarnoff added that the participating countries, which he did not identify, would in the near future announce their decisions on the establishment of those centers and recognized that Washington's new policy regarding Cubans is similar to the policy adopted with the Haitian refugees.

Exile Community Accuses U.S. Official of Lying

FL2308212994 Havana Radio Reloj Network in Spanish 1933 GMT 23 Aug 94

[Text] The Cuban exile community has accused Doris Meisner, U.S. Immigration and Naturalization Service commissioner, of lying. Meisner recently stated that the U.S. Interests Section office in Havana did not issue more visas to Cubans due to the low number of applications submitted.

The U.S. Government had agreed to issue up to 20,000 immigration visas a year to Cubans. However, no more than 2,500 visas have ever been issued in a year. Currently more than 80,000 Cubans have authorization to leave Cuba, including thousands of well known counterrevolutionaries.

Cuban exiles voiced their rejection of the U.S. decision to prevent Cuban rafters picked up at sea from coming

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into the United States, after having encouraged illegal immigration for years, and to stop the remittance of financial help to relatives in Cuba. Cuban exiles believe the U.S. Government has been implementing a deceitful policy against Cuba for the last 35 years.

Foreign Minister's Agenda in Chile Released

PA1908141594 Havana PRENSA LATINA in Spanish 2132 GMT 18 Aug 94

[Text] Santiago, Chile, 18 Aug (PL)—Cuban Foreign Minister Roberto Robaina will hold talks with Chilean Foreign Minister Carlos Figueroa and other government members during his official visit to this country next week.

His work agenda, revealed by the Foreign Ministry today, includes meetings with Senate President Gabriel Valdes and Chamber of Deputies President Jorge Schaulsohn.

Robaina, who will be in this country at the invitation of the Chilean Government from 22 to 25 August, will also hold talks with the planning, economy, and public works ministers and with members of the foreign relations commission in the lower chamber of the Congress.

The program also includes a meeting with Gert Rosenthal, the executive secretary of the Economic Commission for Latin America (ECLA), which is seated in Santiago. The Cuban foreign minister will give a news conference in the offices of this United Nations organization.

In addition to his official activities, Robaina is scheduled to meet with representatives of the Cuban community who reside in Chile.

Cuban General Consul Humberto Hernandez stated today that the Cuban foreign minister's talks with Chilean authorities should further efforts to continue strengthening bilateral ties in the economic, commercial, and cultural sectors.

He pointed out that Cuba appreciates this Andean country's position against the U.S. blockade and said the meetings will not only broach bilateral issues, but will also cover regional topics of interest to both governments.

Visit Monopolizes Chilean Media

FL2408021894 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 24 Aug 94

[From the "NTV" newscast]

[Text] On 23 August, Foreign Minister Roberto Robaina's trip to Chile, the first by a Cuban foreign minister in over 20 years, monopolized the attention of media outlets and public opinion in Chile.

Scores of reporters accompanied Robaina throughout the day. The most important event of the day was Robaina's meeting with Chilean Foreign Minister Carlos Figueroa. The newspapers described the exchange as a work meeting, with an agenda that did not include the topic of restoring diplomatic ties between Chile and Cuba. However, this topic is being discussed by a team working exclusively on that topic.

Bolivian Ambassador on Robaina Visit, Relations

PA2208182094 Havana PRENSA LATINA in Spanish 1555 GMT 19 Aug 94

[Text] La Paz, 19 Aug (PL)—Carmen Elena Herrera, the Bolivian ambassador to the Caribbean island of Cuba, said today that the objective of the upcoming visit to Bolivia by Foreign Minister Roberto Robaina is to boost relations between the two countries.

In a conversation with PRENSA LATINA, the diplomat said that Robaina's three-day visit, which begins next Thursday, demonstrates the high degree of relevance that ties between Havana and La Paz have gained recently.

She indicated that the foreign minister's trip comes in response to an invitation from Bolivian authorities. It is expected that the two governments will hold a high-level exchange of ideas on bilateral and multilateral issues.

Robaina will sign or reaffirm several bilateral cooperation agreements. The ambassador also announced that he will meet with local business representatives through the recently created Cuban-Bolivian Chamber of Commerce.

In addition, Robaina will meet with members of the Cuban community living in this country, with representatives of the enormous Cuban solidarity movement, and with graduates of the class of 1991 of the National School of Higher Studies [Escuela de Altos Estudios Nacionales], the country's best military academy, who visited Cuba that year.

She commented that Robaina will arrive in a country that has a great deal of respect for the larger of the Caribbean islands and that has a true understanding of the difficulties the Cuban people are living through because of the 30-year U.S. blockade.

The minister began a tour of five Latin American states yesterday. He will arrive in La Paz on 25 August, following a visit to Chile. After meeting with his Bolivian counterpart Antonio Aranibar and other ministers of state, he will fly on to Brazil, the next stop in his trek.

Robaina began his Latin American tour in Ecuador yesterday, following a short stop in Panama. The trip will also take him to Chile, Bolivia, and Brazil, in that order.

Official Talks With Namibia Begin

FL2408012194 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 24 Aug 94

[From the "NTV" newscast]

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[Excerpts] On 23 August, Namibian Prime Minister Hage Geingob fulfilled a busy agenda. This morning, Geingob laid a wreath at the foot of the Jose Marti monument in Revolution Square. He was accompanied by acting Foreign Minister Isabel Allende. This was followed by the beginning of official Cuba-Namibia talks—a new chapter in these historic relations. [passage omitted] The Namibian delegation traveled today to Santiago de Cuba where it will visit various sites of economic and ysocial interest.

Namibian Prime Minister Speaks

PA2308234994 Havana PRENSA LATINA in Spanish 0245 GMT 23 Aug 94

[By Nersa Caballero]

[Text] Havana, 22 Aug (PL)—In a brief speech made after being decorated with the "Carlos Manuel de Cespedes" Medal, Namibian Prime Minister Hage G. Geingob termed as infamous today the U.S. blockade against Cuba.

Geingob arrived in this capital accompanied by a Namibian delegation, which will remain in the country for four days. The decoration ceremony was held in the evening at the General Captaincy Palace in the old part of town.

The old building, which dates back to the Spanish colonial era, was decorated so as to receive the African leader, who reiterated today his willingness to deepen the solidarity of the Namibian people with Cuba, particularly during difficult times.

Isabel Allende, the Cuban deputy foreign minister, standing in for Foreign Minister Roberto Robaina, who is on a visit abroad, gave a speech praising the decoration. Geingob was decorated in the presence of high-ranking Cuban officials and members of the Namibian Embassy here.

Allende said these moments are particularly tense for Cuba, because it is struggling as hard as it can to maintain its independence and dignity. In addition, she said relations between the two countries date back more than 30 years.

Your visit is occurring, the deputy foreign minister stated, as the United States is trying to destroy the work of the revolution, and we thank you, on behalf of all the Cuban people, for the displays of solidarity from Namibia during this crucial moment for our fatherland.

The Council of State, which hereby grants you the Carlos Manuel de Cespedes decoration, considers your great human sensibility, spirit of sacrifice, and contribution to the independence of your country, Allende said.

Juan Almeida Bosque, vice president of the State Council and a member of the Politburo of the Communist Party of Cuba (PCC), placed the decoration on the chest of the head of the Namibian Government shortly thereafter.

Prime Minister Geingob recalled in his acceptance speech the manner in which Namibian-Cuban ties were deepened and the gesture of solidarity from Cuba in 1978, when the South Africans perpetrated the massacre at Cassinga, a refugee center located in Angolan territory near the Namibian border that was razed by racist troops.

At that time, he recalled, Cuba came to our aid and offered scholarships for Namibian youths, as well as medical attention for the few survivors.

Our ties have continued to grow since then, and the people of Namibia are very much indebted to the Cuban people for their contribution to the process of independence.

Geingob briefly reviewed this friendship and emphatically recognized the role played by Cuban internationalists, who defeated, together with Namibian and Angolan forces, the racist South African troops, paving the way for the application of UN Security Council Resolution 435 on Namibia's independence.

He also said this victory paved a new path in South Africa and was the beginning of the end for apartheid. That reason is why we came here today to thank the Cuban people for their contribution to our fatherland, affirmed the high-ranking African leader.

Geingob reiterated his country backs Cuba under the present difficult circumstances, concluding: "We now extend our hand, as you did before in helping us achieve our independence, and we express our solidarity with Cuba."

Concerning this aspect of the problem, Alarcon believes the so-called representative democratic system focuses on participation by the citizens for the electoral act only, and this point is the reason for the people's apathy, which is made evident by the high level of voter absenteeism in the West, where the people do not believe the solution to their problems is in the polls.

A comparison with Cuba is obligatory: "Our democracy has the elections it wants, and it must inevitably establish a representative system, but it emphasizes participation by the citizens. I would be very concerned if I were to see the level of the people's participation drop, if the people were to ostracize their government.

"The philosophy of our system rests in the implementation of what is explicitly established in the original definition of democracy: the political system in which the people participate in the government, which does not mean participation only in periodic elections. The other option means reducing the concept to one aspect of the issue. This option is punished, and those who engage in this option find that the people grow less interested in exercising authority, in really participating in the political system. This type of participation is the essence of

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democracy, and I am not talking about socialism or capitalism, although only true socialism creates real popular participation.

"I agree with Plato, Rousseau, and others who had analyzed this problem and had declared the problem of inequality must be resolved. When a political project is based on equality, there is the possibility of establishing true democratic forms of institutionality and political organization, of accomplishing that which those thinkers envisaged as utopia.

"A true exercise of authority by the people is no simple matter. Once the basic issue of equality is resolved and a system capable of channeling this authority is structured, there is still much work to do in order to produce awareness among the people about the role they must play in a democratic system. The idea remains that others are governing on our behalf and that the people are the object of a government system, not the master and subject of that system, as if the government were one thing and the people another.

"If we surrender our will so that somebody else may act on our behalf and if there is no organic system of dependency in the relations between that somebody and us, then the system is a farce. This point is why the link between the two is very important. Certain aspects of our system can be perfected, but our system respects fundamental principles, such as giving explanations to the people. I agree there are flaws, but the fact this link exists and can be improved is a starting point, a tool."

Alarcon does not view the democratic system as a utopia. He views its principles as fair but acknowledges it has deficiencies. From what he says, however, it can be surmised the Cubans have made real contributions to solidify concepts with which mankind has dreamed throughout history.

Alarcon said: "Turning the people into a subject that permanently and actually exercises authority is easier said than done." To back his words, Alarcon resorts to the debate that took place recently in the "parliaments of the workplace," where the most important projects are contained in a document that was analyzed by the deputies, "because it is physically impossible to talk with 11 million people at the same time."

He was asked: "Can we say, then, an adequate relationship between the representative and those being represented is Cuba's contribution to democracy?"

Alarcon answered: "That is one of them. The other is the role the represented people play in the government system."

Is Our Electoral System Unique?

Cuba is not the only country, for instance, that elects deputies first with parliament electing the government later; in this sense, our system resembles the British system. The system of electoral circuits also prevails in certain countries such as England.

"We also have the thing of people nominating the candidate. I do not know of any other place with similar characteristics, because candidates in other countries are nominated by parties, and the essence of democracy is competition among several parties and among several candidates. This point usually translates into multimillion campaigns, the sale of the vote and other vices."

Why isn't the president in Cuba elected directly by the people?

It is not only Cuba; the same thing happens in Spain and England. I personally believe it is more democratic not to elect the president directly.

If parliament elects the government, that government is responsible before that parliament. In turn, if the people elected the president, who can question a president elected by five or six million people? That is a contradiction of the presidential system.

"The direct election apparently has some appeal, but in practice if one analyzes the situation carefully, one is able to understand it is a way of losing control. The government is changed in a parliamentary system without the big trauma as a change in government in the presidential system. Let's review the most recent examples in our America.

"In the countries in which the definition of democracy is limited to electoral contest, anti-reelectionism has some logic. The element of experience is on the other hand, because no one can really implement government programs in the time span of an electoral period.

"We in Cuba have the case of Fidel Castro, who is an exceptional personality, who has played a tremendous role in Cuba's history. There are also other heads of state in the world who have been in office for many years. For instance, we have the case of Spain: The Spanish Socialist Worker's Party [PSOE] has been in power since 1982, Felipe Gonzalez has been leading the government and party during that time. He was PSOE leader before it reached power.

"New party leaders who have reached maturity have emerged since then, but despite the problems that party has experienced, Gonzalez has just been reelected. People trusted him once again, because he is an intelligent man with certain attributes that make reelection seem natural. No. I do not believe that is the fundamental problem, especially if we have a truly democratic-participative system. We must not be concerned with keeping in office one who has more merits and responsibility to hold an office.

Alarcon places more importance on the possibility of revoking the mandate of anyone at the political structure level. Little has been said about this outside of Cuba, and

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he said five or six mandates in various provinces and municipalities have been revoked during the current period.

Behind the intention of Cuba becoming "democratic" as in the U.S. style, is there not really a bold enticement to the annexationist trend?

Annexationism is a specific Cuban phenomena. It has not been present in other Latin American nations. The truth is even Puerto Rico has force after the U.S. occupation, but it was a movement prior to independence in 19th century Cuba.

"I remember that point, because I am not surprised there are demonstrations of this type in Miami that exert pressure on Cuba. This pressure is done by Cubans who are legal U.S. citizens although they were born in Cuba.

The truth is the U.S. cares about the democratic system as much as they can care about a football game in which they do not play. They have excellent relations with states where absolutely no democratic rights exists. This brings to mind certain autocratic monarchies, and it would be very amusing if some of them that are rich in petroleum were to become a state with a party that might question oil contracts. If we had here a government that would hand over the nation's economy to them, we would see how well they would get along with us."

Worker Relocation Resolution Effective 1 Sep

FL2408005794 Havana Radio Rebelde Network in Spanish 0000 GMT 23 Aug 94

[Text] Beginning on 1 September, the Ministry of Labor and Social Security's resolution No. 6 of 1994 will go into effect. This resolution regulates the treatment of labor, and the salaries of available workers. The present regulation replaces resolution No. 4 of 1991 on excess and available workers, and emerges after an extensive period of studies and analysis in which the country's labor union leadership participated. The new resolution avoids the traits of egalitarianism and rewards elements such as years of service.

This new measure establishes different alternatives for work and relocation of workers considered as available due to structural or institutional changes in state organizations or enterprises, reduction in the activity level due to economic reasons, or the application of multi-tasks or other measures for the organization of production.

The relocation can be permanent or temporary. The measure also establishes the temporary incorporation of workers as support for building housing, self-sufficiency agricultural plans, or other socially useful activities. As an alternative, the measure also establishes the enrollment of workers in training or retraining courses so long as these are necessary for the eventual relocation of these workers. In all these cases, the worker's place of residence will be considered, as well as his own efforts to achieve the relocation.

The Ministry's resolution also establishes new regulations on the salary guarantees of available workers when they cannot be relocated for justifiable causes. Those workers who are temporarily relocated can maintain a fixed salary or adjust themselves to the salary of the new occupation. Those who are definitely relocated may receive 80 percent of their original salary or receive the corresponding salary of the new position. Those who cannot be relocated will receive a salary guarantee equivalent to 100 percent of their salary the first month, and 60 percent during subsequent months, according to accredited years of service. When this salary guarantee expires, the link with the workplace will end and the worker will then receive a subsidy from the office of social security, which will continue trying to relocate the worker.

Those who unjustifiably reject the offers made will receive only the guarantee of the fixed salary for the first month and then will definitely be dropped.

The new dispositions of the Ministry of Labor and Social Security on the treatment of salary and labor of available workers are based on the principle of not leaving any worker stranded. The regulation gives special significance to the role of labor union organizations and commissions responsible for workers' progress in each labor entity.

Today's TRABAJADORES newspaper prints the entire text of this resolution.

Holguin: 3,000-Strong Food Production Brigade Created

FL2408020194 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 24 Aug 94

[From the "NTV" newscast]

[Text] A work force comprising members of the Communist Party of Cuba and the Union of Young Communists in Holguin will take to the fields to guarantee food production for the people. This productive division is named the Major General Calixto Garcia Iniguez Mambi Column, and will include approximately 3,000 men and women who will join the column for two years to work in the food program.

This Holguin Province initiative was praised by Pedro Ross, secretary general of the Cuban Workers Federation, during a union plenum in the province, at which preparations for the next sugarcane harvest were also reviewed. The number of manual sugarcane cutters in Holguin Province is expected to increase to make up for the capabilities lost by forgoing mechanization. In this regard, the plenum particularly stressed taking the utmost advantage of solutions developed by innovators and efficiency experts.

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Commentary Explores Benefits of Foreign Exchange Peso

FL2308145194 Havana Radio Rebelde Network in Spanish 1155 GMT 23 Aug 94

[Commentary by Ariel Laramendi Villafane; from the "Doing Radio" program: "Our Opinion"]

[Text] I have been thinking about the possibilities and guarantees that could be achieved by changing the U.S. dollar and other currencies known as hard currencies, for a new convertible peso, a Cuban foreign exchange peso. So that there are no misunderstandings, I should clarify that I am talking about the circulation of the currency and not the possession of foreign exchange.

First of all, in the process of consumption, the Cuban economy moves at different levels. There is a planned market where one can obtain products using the national currency through the ration booklet, which as we all know is insufficient. There is also another market where the state offers a series of articles which are sold for dollars and which is currently growing. We also have the so- called self employed workers who sell their goods and services for Cuban pesos or its dollar equivalent at the exchange rate of the underground economy, rates that are public at the fairs [ferias] held throughout the nation. These three forms of activities are controlled by the state with more or less rigor in the latter one.

Leaving this setting, we also have the black market with its two sources of income [vertientes] the Cuban peso and the dollars at the exchange rate of the streets. On this black market, which is not too marginal, a mass of monies, pesos or dollars, moves and on occasion becomes independent from the guardianship of the state, taking from the state the possibility of using these currencies for the benefit of the whole community.

This is where changing dollars for the convertible peso would be of great benefit for the people in general. It would be the most effective way of controlling the mass of hard currency that moves through our country, which can only be calculated in approximate amounts. In contrast, a new convertible peso would facilitate the obtaining of foreign monies that because of its current wear and tear should be taken out circulation but since they are not issued in Cuba they cannot be substituted with new ones bills or be burned as is done with the Cuban peso. We would also avoid the risk of losses through counterfeit currencies since there would be a collection of monies before it is spent, which would result in an economic advantage for Cuba.

In the political and legal order, very few countries operate with a foreign currency at the retail level. In our country, the most abundant foreign currency is the U.S. dollar, a country with which we do not maintain relations. The circulation of the new convertible peso does not make the possession of foreign exchange by individuals illegal. But as is to be expected, these foreign currencies lose their power of circulation in the markets that are developed in our country: the legal and the black markets. It would not be a problem for a Cuban or a foreigner to exchange or reexchange money in that sense.

I will end my reflections with that.

Roundup of Economic Developments

FL2308131994

[Editorial Report] The following is a compilation of reports on economic developments monitored between 17 and 23 August.

Las Tunas Province apiculture workers collected 5.7 tonnes of honey during the first six months of 1994. (Havana Radio Rebelde Network in Spanish 1155 GMT 18 Aug 94)

Horizontes Hotels Vice President Luis Manuel Campillo has reported that the hotel chain is booked up for the forthcoming winter season. (Havana Radio Rebelde Network in Spanish 2300 GMT 17 Aug 94)

A corrugated shingle factory in Camaguey Province has been at a standstill since late July due to lack of raw materials. (Havana Radio Rebelde Network in Spanish 1700 GMT 18 Aug 94)

The Las Tunas Province budget office expects to accrue 7.5 million pesos in revenues, two million more than in 1993. The budget office accrued 5.4 million pesos between January and June, primarily in revenues from self-employment license fees. (Havana Radio Rebelde Network in Spanish 2300 GMT 18 Aug 94)

A new method to obtain oil for electric transformers has been tested in Cabaiguan Municipality, Sancti Spiritus Province. The crude oil used for testing comes from Jatibonico Municipality, Sancti Spiritus Province. A total of 47 tonnes of the new product was obtained during the initial test, and experts at the Acietes Basicos plant believe they can produce 400 tonnes of the transformer oil by year's end. (Havana Radio Reloj Network in Spanish 1406 GMT 19 Aug 94)

The gas supply to Havana City residents will soon increase. The Mario Fortuney gas plant will be back on line in late September following scheduled maintenance. The Evelio Rodriguez gas plant could not cover supply demands on its own while the Mario Fortuney plant was being repaired. Plant Director Dimas Gonzalez has said that Cuba has budgeted over $700,000 for repairs and maintenance for the plants. (Havana Radio Progreso Network in Spanish 11 GMT 23 Aug 94)

Politburo Members Attend FMC Anniversary Ceremony

FL2408021494 Havana Radio Rebelde Network in Spanish 2300 GMT 23 Aug 94

[From the "Exclusive" program]

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[Text] On 23 August, Pedro Ross Leal, member of the Politburo and secretary general of the Cuban Workers Federation [CTC], congratulated the members of the Federation of Cuban Women [FMC] on the occasion of the 34th anniversary of the FMC. On behalf of the labor movement, Ross praised the efforts of FMC members over the years, which has resulted in women comprising almost 40 percent of Cuba's labor force.

In the patriotic ceremony marking the 34th anniversary of the Federation of Cuban Women, Yolanda Ferrer, secretary general of the FMC, stressed in her address that Cuban women will always defend the Revolution no matter what the sacrifices, and are always ready to together confront the challenge of living, working, and flourishing in this crucial hour for Cuba.

[Begin recording] When some in the world believe they are witnessing the passing of hope, Cuban women feel more than ever our living faith in the Revolution, loyalty to our principles, trust in the Communist Party of Cuba [PCC], our Fidel, and the certainty that we deserve and will achieve victory. [end recording]

Yolanda Ferrer referred to the difficult events surrounding this anniversary of the FMC instigated by the United States in a direct attempt to break down the resistance of the Cuban people, whose heroism is evident.

[Begin recording] Make no mistake: The incidents conducted by antisocials in recent days filled revolutionaries with indignation from one end of Cuba to the other and fortified the resolve of the people. For every one of the antisocials who were born in Cuba by mistake, there are hundreds of thousands of patriots prepared to fight for Cuba to the death. [applause]

In this unilateral world, Cuba is and always will be a nation of honor, which will never relinquish its independence. We will fight together for the betterment of Cuba, toward making the most of our actions, our strengths, our aggressive spirit each and every day. This is the wealth that exists in each one of us, an inexhaustible resolve on which Cuba can depend. Marti said: The heart of our freedom lies in our women.

Thus, on this day, we make Raul's words our own. We will fulfill Marti's mandate of never ever letting the sword of liberty fall. [end recording]

At the ceremony, a group of 182 men and women were given the 23 de Agosto award for their heroic attitude in confronting the antisocials. Twenty-nine FMC professional cadres also received awards for five, 10 and 15 years of exemplary service.

Politburo members Maria de los Angeles Garcia and Jorge Lezcano, and Moncada heroine Melba Hernandez, and other leaders of the PCC, FMC, and people's organizations of the province participated in the main ceremony marking the 34th anniversary of the FMC.

Torres, Balaguer Chair Sugarcane Meeting in Granma

FL2308225594 Havana Radio Reloj Network in Spanish 1954 GMT 23 Aug 94

[Text] On the second day of meetings on sugarcane harvest deficiencies in Granma Province, the head of the Sugar Industry Ministry stressed that for production, the mills must first have sugarcane. This statement was made following comments by the director and manager of the Jose Mauricio Figueredo Mill.

This mill is faced with a serious situation regarding sugarcane agriculture due to the substandard quality of raw materials. Referring to the rationale for distributing imported chemical products, Sugar Industry Minister Nelson Torres said: First of all we have to work with our existing resources to produce enough cane; we will give fertilizer to those who deserve it.

Jose Ramon Balaguer, Politburo delegate in Granma, participated in analyzing development of the sugarcane harvest in the 11 sugar mills of the province.

Sugar Industry Minister Chairs Harvest Preparations Meeting

FL1908164294 Havana Radio Progreso Network in Spanish 1100 GMT 19 Aug 94

[From the "First Thing" program]

[Text] Sugar Industry Minister Nelson Torres has chaired a meeting in Ciego de Avila in preparation for the next sugarcane harvest in the country's central regions. Participants noted that sugarcane workers cancelled or postponed their vacations to work in July and August and that they are quite ready to produce. Their readiness will help industrial repairs along. Sugar Industry Ministry [MINAZ] officials from Ciego de Avila, Sancti Spiritus, Cienfuegos, and Villa Clara provided updates to 15 August on, among other things: land preparation and sowing; cleaning; conservation of tires and batteries and spare parts; and self-sufficiency and repair efforts. Since figures indicate that there have been delays in most areas, the MINAZ stressed that it is necessary to put all MINAZ forces to work and to mobilize workers from other sectors to help.

Armed Forces Officers Help Repair Public Faucets

FL1908165294 Havana Radio Progreso Network in Spanish 1100 GMT 19 Aug 94

[Report by Pedro Garcia; from the "First Thing" program]

[Text] Soldiers, sergeants, and officers of the Revolutionary Armed Forces [FAR] and aqueduct specialists are hard at work in Boyeros and Arroyo Naranjo Municipalities solving multiple public faucet problems. Mobilized in two main directions—with 10 brigades comprised of 60 soldiers and sergeants and 10 officers—they

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have managed to surpass repair goals. They will finish in Santiago de las Vegas some time today or tomorrow. Lieutenant Colonel Lazaro Ferran, second in command in that directorate, explained that the people's support has been good and that most of the mobilized troops are members of the 3415th Regiment in El Guajay. They have repaired more than 150 faucets in Santiago de las Vegas alone. The results of a survey of various people indicate that the repairs were quick and of high quality. The FAR embarked on this task on 3 August, a task that will ultimately include all of the capital. They are currenlty working in El Rincon, Boyeros, and Arroyo Naranjo, as well. The FAR and the municipal aqueduct directorates are responsible for providing the necessary materials.

Correction to 'Straight Talk' Reviews Raul Castro Address

FL1508180494

The following correction pertains to the item headlined "'Straight Talk' Reviews Raul Castro Address," published in the 16 August Latin America DAILY REPORT, page 7-8:

Page 8, column one, paragraph two, sentence three, make read: ...when he stressed: Yes we can. I do not... (providing dropped words)

Haiti

Ratification of Malval Stalls in Deputies' Chamber

FL2308195094 Port-au-Prince Radio Metropole in French 1045 GMT 23 Aug 93

[Text] The ratification of a prime minister designate is at a standstill in the Chamber of Deputies. A new convening is scheduled for Monday [as heard] to pursue ratification of Robert Malval, who has already been approved by the Senate. Stormy, turbulent sessions continued on Friday and Saturday, 20 and 21 August, in the parliament, interrupted by electricity cuts and invalidations of quorums. The debates resumed on Monday following a favorable verdict by the committee in charge of studying Malval's files. Edner Jean filed a report on the weekend sessions. A new convening was set for today at 1600 GMT to pursue the ratification of Prime Minister-Designate Robert Malval.

[Begin Jean recording] All those dealings in the lower chamber can be summarized in one sentence: The socialists and the Alliance's hard wing do not want Robert Malval as prime minister. They proved it overwhelmingly by their different positions. Deputy Frantz Robert Monde, whose heart balances between the Alliance and the socialist bloc, had publicly stated that nothing or no one could make him vote for Malval. The facts that followed proved that he meant it.

First of all, the prime minister designate's Haitian nationality was questioned. Malval was obliged to present his grandfather's birth certificate to the committee in charge of studying his file. That was on 19 August. On 20 August, the special committee finally gave its report to the assembly of deputies. In its conclusions, the committee announced that Robert Malval satisfied all constitutional requirements to be head of government despite the fact that he has a delinquent payment due the Internal Revenue Service. After a long debate on the committee's tasks, the assembly of deputies was getting ready to vote on the ratification. Suddenly the parliament [passage indistinct]

Exiled Legislator Rejects U.S. Invasion

FL2308115694 Castries HTS Caribvision Television in English 1945 GMT 22 Aug 94

[From the "Caribbean Evening News" program—Maderston speaks in French with passage by passage translation into English]

[Text] A member of the Haitian parliament in exile says no to the invasion of his country. Mr. Samuel Maderston indicts the international community, inclusive of Caricom [Caribbean Community], for not being sufficiently serious about getting rid of the military in Haiti. The Haitian parliamentarian, in Trinidad to attend the Assembly of Caribbean Peoples, believes that the international community has been adopting contradictory positions, giving the military the option of ignoring UN decisions. Tony Frasier spoke with the Haitian parliamentarian:

[Begin recording] [Frasier] (?Four) Caricom countries have received requests from the U.S. President to participate in a peacekeeping effort in Haiti, whenever the UN-sanctioned invasion is complete. This country would supply 43 of the 300-member Caricom peacekeeping force. Prime Minister Patrick Manning says the negotiating options have been exhausted and the time has come for definitive action.

[Manning] That has only been contemplated, as all else seems to have failed.

[Frasier] [Words indistinct] pro-Aristide member of the Haitian parliament, Mr. Samuel Maderston, what is needed is a firm commitment by the international community to remove the military.

[Maderston, in French in progress]...Security Council resolution. And, in Haiti, the press [word indistinct] it alone spread it about everyone. The Haitian press published widely a letter that President Cedras [name and title as heard] received from the Pentagon which advised him not to pay any attention to the Security Council, that there would be no invasion of Haiti. In other words, everybody knows, in Haiti, that the international community is not serious about what they say.

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[Frasier] He points to the example of the United States reinstalling the former Haitian president, Prosper Avril, to office after he had been removed by a military coup. All it took, he says, was a full will, something which is not now being exercised in relation to the Haitian military. Maderston claims President Aristide has been consistent in his own position that the Governors Island Accord should be honored.

[Maderston] Because if the Americans enter Haiti, it will certainly not be to defend the interests of the Haitian people. It will be to defend the interests of their allies, who are very much under threat at the present time.

[Frasier] Maderston, who is also a human rights advocate, says if the international community cannot effect change without military invasion, then it should agree to defeat.

[Maderston] The bottom line conclusion would be that if the international community were serious about getting rid of the military, then a Caricom peacekeeping force would not be necessary, the reason for it would not arise. It's absolutely, you have perfectly understood. [end recording]

Pro-Aristide Leaflets, Slogans Appear in Saint-Marc

FL2308184294 Port-au-Prince Radio Metropole in French 1600 GMT 23 Aug 94

[Report by correspondent Leonor Exantus from Saint-Marc]

[Text] President Aristide's picture and pro-Aristide slogans were posted, and pro-Aristide leaflets were distributed throughout Saint-Marc overnight 22-23 August. President Aristide could be seen on buildings on almost every street early on the morning of 23 August. The blue and red pictures bore the mark of the Lavalas political organization, which is based in Saint-Marc.

Many leaflets bearing President Aristide's picture appeared with the slogans: Long Lasting Mobilization for Aristide's Immediate Return! Down With the 18 January Legislators! We Ask the Head of the Army and the Coupists to Step Down!

The army in Saint-Marc has not yet reacted.

De Facto Government Bans Transactions With Foreign Currency

PA2308225594 Madrid EFE in Spanish 2132 GMT 23 Aug 94

[Text] Port-au-Prince, 23 Aug (EFE)—The "de facto" Haitian government banned commercial transactions with "foreign currency" today.

The Central Bank issued a circular to commercial banks on 22 August ordering that credit be limited to its 29 July ceiling. "Those banks whose credit exceeded this ceiling on 22 August 1994 failed to obtain authorization to use a higher credit ceiling. This situation for these banks will continue until they lower their credit to a level lower than the established ceiling," the Central Bank reported.

The Central Bank warned it would take action against banks that disobey this regulation.

The situation of the Haitian currency, the gourde, is increasingly becoming difficult, with its continued depreciation in relation to the U.S. dollar. In addition, free market operations opened the week with a new record. The exchange rate rose to 25 gourdes to the dollar.

'Dramatic Depreciation' of Gourde Reported

FL2308202794 Port-au-Prince Signal FM Radio in French 1030 GMT 23 Aug 94

[Text] The dramatic depreciation of the gourde in relation to the dollar is getting worse. The slip of the Haitian currency, the gourde, significantly worsened on 22 August in comparison with the U.S. dollar, exceeding the psychological threshold never before reached, of 25 gourdes to one U.S. dollar. At the general headquarters of the moneychangers, located in downtown Port-au-Prince, in lower Rue Pavee, the dollar was exchanged for as much as 27.5 gourdes. The Haitian currency went from 15 to more than 25 gourdes to one U.S. dollar within two weeks. The escalation of prices similarly continued on 22 August. The Moderate daily, LE NOUVELLISTE, published a comparative report on the prices of essential food products, which have doubled within a few days. A sack of sugar, for instance, has gone from 200 to 500 gourdes, a sack of flour from 120 to 450 gourdes. This is a breathtaking increase.

It should be noted that the monetary authorities raised the money issue ceiling twice—by 500 million gourdes each time—before completely eliminating this system on 15 July. The approximately 12 billion gourdes created since the coup d'etat, mostly to finance public deficits—the treasury and public enterprises having reached record levels—gave rise to serious inflationary pressures within the Haitian economy. The currency supply situation has experienced marked deterioration since the most recent financial sanctions by the Clinton administration, eliminating financial transactions among economic agents of the two countries and essentially or substantially reducing currency transfers from Haitian in the United States to their families in Haiti.

Canada also decided last week to suspend commercial transactions through the Haitian banking system. This latest measure is going to negatively influence the currency exchange market, and the scarcity of U.S. currency will become more serious.

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Product Prices 'Mere Than Doubled in One Week'

FL2308220594 Port-au-Prince Radio Metropole in French 1600 GMT 23 Aug 94

[Excerpt] A comparison of the prices of most essential products shows breathtaking escalation. Prices more than doubled in one week. Our reporter Guilloto Francois filed a report:

[Begin Francois recording, in Creole] The prices of products continue to rise. Food products as well as essential products such as cement increased at about 50 percent, according to several statistics published recently in the capital. A week ago, statistics from the National Statistics Office showed that essential products had been increasing at 35 percent. A clear example is a sack of cement, which in 1992 cost 207 gourdes, and now costs 263 gourdes. For essential products, the scale has increased and tends to further escalate. According to experts, this is due to the reduction of national currency compared to the U.S. dollar, which is at more than 315 percent currently.

Another factor that worsens the situation is fuel, the price of which has not stopped rising. These two factors play a major role in the increases in food and essential products. The scale for products that have increased, especially food products, shows that refined sugar was sold for 1.5 gourdes a pound in 1988. In 1994, refined sugar cost 10 gourdes a pound. Oil, which in 1986-1988 cost 26.71 a gallon, now costs 80 gourdes. Finally, flour, a necessary product for Haitians, which cost 1.30 gourdes a pound in 1988, now costs almost 10 gourdes a pound and is becoming scarce on the market.

Rice is one of the products most consumed by Haitians. The price of rice not only doubled, but tripled. In 1985-1986, a sack of imported rice cost 135 to 140 gourdes. In 1994, rice is very expensive. Businessmen sell rice for 550 gourdes. Another product that does not stop increasing is fuel. The more time that goes by, the more the price rises. [passage omitted].

In some central points such as Lasaline, gasoline costs 185 gourdes and diesel, 130 gourdes. These prices increased after oil products began to be sold just like other products on the streets, in small stores, etc. Before that, a gallon of gasoline cost 18.75 gourdes, and diesel about 12.5 gourdes in the gas stations.

Not long ago, the Government of the Republic announced that a special commission would be established to extract Haitians from the agony they are facing with the prices of products, all kinds of products that do not stop rising on the local market. [end recording]

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EZLN Retakes Control of 'Its Territory' in Chiapas

PA2308153294 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 23 Aug 94

[From the "Early Morning" newscast]

[Excerpt] We have the following report on the post-electoral atmosphere in the states of the country. In Chiapas, the Zapatist National Liberation Army [EZLN] retook control of what it calls its territory, following Sunday's elections. Francisco Trejo filed the following report on the situation in the southeastern part of the country.

[Trejo] We are here in San Cristobal de las Casas' main square, where the first act of civil resistance by supporters of the Party of the Democratic Revolution [PRD] candidate Amado Avendano is taking place. The PRD supporters claim their candidate won with the support of 46.4 percent, while the Institutional Revolutionary Party [PRI] candidate obtained 45.4 percent. This is, according to PRD supporters, the result of 15 percent of the state vote.

However, authorities today disclosed official results on 53 percent of the vote, which shows PRI Candidate Eduardo Robledo Rincon obtained 47 percent of the vote, while Amado Avendano just got 31.5 percent of the vote. [passage omitted]

Cuban Boat People Said To Transmit SOS Signal 22 Aug

PA2408025894 Madrid EFE in Spanish 0115 GMT 24 Aug 94

[Text] It was reported on 23 August at least 40 Cubans who were adrift on board a raft off the coast of the Yucatan Peninsula and who were about to be picked up by Cuban vessels requested help via a transmission picked up by a radio amateur.

According to Yucatan State journalistic sources, the radio amateur lives in the city of Campeche, capital of the namesake state located 873 kilometers east of Mexico City, and picked up an SOS radio signal transmitted by a drifting Cuban vessel on the night of 22 August.

The Cuban boat people refused to divulge their location, because they feared the Cuban Navy could locate them. They stated that they were "about to be picked up by Cuban Coast Guard vessels," the sources reported.

The Yucatan Naval Base refused to confirm the report, and a Navy officer told EFE only the Navy Secretariat Staff is authorized to give details.

Yucatan journalistic sources told EFE, however, the 7th Campeche Naval Zone had alerted its vessels and the fishing boats in the area to help the Cuban boat in case it was located. The Progreso Naval Station, in Yucatan State, dispatched a Coast Guard vessel to search for the Cuban boat.

According to the information provided by the radio amateur, the Cuban rafters stated the engines of their boat, dubbed "La Corona," were out of order.

The radio amateur, Jose Manuel Rodriguez, stressed he picked up the SOS transmission on the radio as he was attempting to contact other radio amateurs.

New Armed Group Reported in Chiapas

PA2308232094 Mexico City EL FINANCIERO in Spanish 21 Aug 94 p 28

[Report by Rogelio Varela]

[Text] Alfredo Moises, treasurer of the Mexican Confederation of Coffee Farmers (CMPC) [Confederacion Mexicana de Productores de Cafe], has reported a new armed group dubbed Francisco Villa, which consists of more than 50 hooded and heavily armed individuals and has initiated invasions of several prosperous coffee farms in the central state of Chiapas two weeks ago.

"Government authorities have asked us to wait until after the elections to solve the problems on our coffee farms that were invaded by armed, hooded individuals. Coffee farmers refuse to negotiate with hooded individuals," he added.

That reason is why "we are asking the government to take action as soon as possible;" otherwise, a "civil war" could break out in this area, because many of the coffee field workers say they are willing to defend the lands if we give them weapons," the coffee farmer has threatened.

Interviewed in his office in southern Mexico City, the coffee rancher has said the adversely affected farms are located in Jaltenango Municipality, approximately 90 km from Tuxtla Gutierrez, the capital of Chiapas.

Moises has said the invasion of coffee lands violently took place at the Liquidambar and El Potrero Farms. Both farms have more than 300 hectares and are highly productive.

The farmer has said the Francisco Villa group says its social demands are the primary reasons for occupying the coffee lands in the area. He also has said the illegally occupied lands are located in a strategic position in the state of Chiapas, because they are located along a corridor toward the coast.

The state of Chiapas is the leading coffee producer of the country, and the central zone accounts for 25 percent of the coffee production of the state, which is located in southern Mexico.

Giving us an idea of the productivity of the occupied farms, the rancher has said one of them produces

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between 40 and 50 quintals of coffee per hectare, while the national production average is only six quintals per hectare.

Moises complained about the absence of the Mexican Army in the area for nearly a year, and that absence facilitated the guerrilla action," the coffee rancher has said.

Moises has said the coffee farmers who have been adversely affected by the guerrillas in Chiapas have already met with President Carlos Salinas de Gortari and with Agriculture Secretary Carlos Hank Gonzalez to talk to him about the region's problems. The reply of both officials was to wait, however, until after the elections to achieve a negotiated and lasting solution to their problems.

Asked about the origin of the land invaders, the CMPC treasurer has said certain peasants of the region have linked the guerrillas of the Francisco Villa group to the Party of the Democratic Revolution (PRD), but he has said he is not certain about those reports and cannot attribute the movement to that political party.

"I cannot say the armed group has any links to a political party, let alone to the PRD, because they are hooded individuals," and it is impossible to determine their identity, Moises has said.

According to Moises, the invasion of coffee farms is linked to political movements within the state of Chiapas and not specifically to social-type demands for better hospitals, schools, and roads.

"They are occupying the most productive lands, and we are facing the risk of losing the winter harvest, because we have been unable to fertilize the lands this week," the coffee farmer has said.

Another one of the problems the coffee farmers see on the horizon is that the guerrilla movements and the land occupations are being conducted along a corridor leading to the coastal regions, and they will soon have access to neighboring states such as Oaxaca, Tabasco, and Veracruz.

According to Moises, the demands of the Francisco Villa guerrilla group have included the release from the Miraflores Penitentiary of two inmates accused of robbery and assault. According to the coffee rancher, the government has fulfilled that request, but the guerrillas have yet to display signs of wanting to leave the occupied lands, Moises has said.

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Costa Rica

Government Not Willing To Accept Cuban Refugees

PA2308204094 Paris AFP in Spanish 1843 GMT 23 Aug 94

[Text] San Jose, 23 Aug (AFP)—Costa Rican Foreign Minister Fernando Naranjo said on Tuesday that Costa Rica is not willing to accept an eventual request by the United States to receive Cuban refugees who are fleeing the island's political and socioeconomic situation.

In a news conference, the official said his country does not have "the installation capabilities" to shelter Cuban refugees, but he said his country would be "pleased" to accept Cuban political asylum seekers in keeping with "Costa Rica's tradition" to grant refuge to people who are politically persecuted.

The foreign minister noted that his government's policy with regard to the Cuban refugees is the same one it has maintained for the Haitians, whom the government has also rejected despite a U.S. request, because the country is not prepared to receive those who are massively fleeing those islands.

The United States announced on Friday a radical change in its policy toward the Cuban refugees, because they will no longer obtain political asylum, but will now be kept in detention centers in Florida or taken to the U.S. naval base in Guantanamo in Cuba.

In view of this situation, the Costa Rican foreign minister reiterated his government's position to ask the OAS Permanent Council to conduct an analysis of the case of Cuba, which is going through a difficult socioeconomic situation and which has been facing a tight economic blockade by the United States for over 30 years.

According to Naranjo, former Colombian President Cesar Gaviria, the new OAS secretary general, must take on the responsibility of bringing up the Cuban situation for discussion at the forum.

The Central American governments reiterated last Saturday, at the closing of the 15th Central American Summit held in Costa Rica, their rejection of a possible invasion of Haiti to restore democracy, and they called for the review of a possible return of Cuba to the Inter-American system.

The foreign minister said that his country stated at the Ibero-American Summit, held in mid-June in Brazil [as received], the urgency of resolving the Cuban case at the OAS.

Naranjo also said he does not know if Cuban Foreign Minister Roberto Robaina will travel to Costa Rica as part of the tour he is conducting through various Latin American countries despite announcements by official sources in Cuba that said the minister, who is currently in Chile, would also travel to Bolivia, Brazil, and on to this Central American nation.

The foreign minister, however, did not rule out the possibility that his Cuban colleague, Roberto Robaina, could travel to Costa Rica following a visit to Panama to attend the inauguration of Ernesto Perez Balladares on 1 September.

Guatemala

Government Said Unaware of U.S. Talks on Cubans

PA2408033294 Panama City ACAN in Spanish 2326 GMT 23 Aug 94

[Text] Guatemala City, 23 Aug (ACAN-EFE)—The Guatemalan Government has stated it is unaware the United States is negotiating with 12 Caribbean and Central America countries to install refugee centers for Cuban boat people in their territories.

According to White House Spokesperson Dee Dee Myers, the Central American countries have expressed their willingness to "explore the possibility" of accepting Cubans in their territories.

"We have no information" on any future request by the U.S. Government, Guatemalan Government Spokesman Felix Loarca has told ACAN-EFE, adding "this case is new to us."

Loarca has said "it is more important for us to attend to the Guatemalan refugees who will return from Mexico," because "we are preparing for the postwar phase."

A Guatemalan Foreign Ministry source also has told ACAN-EFE they were unaware of a U.S. request in this regard.

Defense Minister Announces State of 'Maximum Alert'

PA2408041994 Mexico City NOTIMEX in Spanish 2313 GMT 23 Aug 94

[By Jose Luis Castillejos]

[Text] Guatemala City (NOTIMEX)—Defense Minister General Mario Rene Enriquez announced the Guatemalan Army put into effect today a Preventive Defense Plan [Plan de Defensa Preventiva] and has declared a state of "maximum alert" in the face of possible "terrorist attacks."

Elite airborne, land, sea, and air troops from the 23 military zones, totaling 47,000 soldiers, will maintain strict watch in the entire country to halt subversive acts, Enriquez said during a news conference.

The military leader expressed regret over the predawn attack on the Chupol, Chichicastenango, Quiche Department Military Detachment, 145 km north of Guatemala City on 22 August, which left six people dead and 25 people wounded.

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He explained a column of the Poor People's Guerrilla Army (EGP) at 0405 (1005 GMT) attacked the detachment, which housed 32 soldiers and one officer, with rifle fire and grenades.

Two soldiers were killed at the site, and 11 were wounded, five seriously, while the guerrillas according to Enriquez, sustained three casualties, in addition to one civilian woman riding a bus who was killed while crossing a guerrilla checkpoint.

The other wounded individuals, who are convalescing in the Roosevelt and San Juan de Dios Hospitals, in Guatemala City, are civilians, Enriquez said, describing the attack as "treacherous."

He added the Guatemalan National Revolutionary Unity (URNG) has lost control of its members. The guerrillas say one thing and do another, such as when they ask for respect for human rights but do the opposite.

The URNG argues the government has not kept to the Overall Agreement of Human Rights and Immediate International Verification, signed on 29 March.

The URNG also claims the recent seizure of weapons belonging to them is "intended to divert national and international attention from the verification of the Human Rights Agreement by the United Nations. [no closing quotation mark as received]

According to the rebel command, four of its members who disclosed the existence of the hideout were tortured and forced to talk by Military Intelligence Services (G-2).

Enriquez said, despite the armed attack, the Army will continue its efforts to reach peace, removed from demagogic acts, such as those carried out by the URNG.

Sources close to the Defense Ministry consulted by NOTIMEX have said the Army could intensify antisubversive warfare with "direct passive" measures through increased watches in areas where the guerrillas operate.

According to a G-2 report to which NOTIMEX had access, antiguerrilla actions can be direct or indirect. The first method seeks guerrilla destruction through violent means, and the second method deprives the guerrillas of their potential sources of supplies.

According to this document, the guerrillas could be most vulnerable to civilian, moral, and command structure support and supplies (sanitation and armament).

Army sources have said operations of harassment could begin to prevent the guerrillas from resting or regrouping.

Sources have said the Army could apply "fire shower" techniques, which consist of surrounding the enemy in a square kilometer, flushing him out through aerial attacks, and then using "disk breakup" [fraccionamiento de disco], by which a rebel group is broken up and wiped out.

Another operation is dubbed "hammer and anvil," which uses two forces to maintain the guerrillas in an anvil position, and another force exerts an action to destroy the guerrillas through a crushing action.

Enriquez abstained, however, from commenting on the measures the Army will use against the rebels.

The government and the guerrillas increased negotiations at the beginning of the year to seek the signing of an agreement to end the 34-year-old armed conflict, but both sides seem to have drifted away in the last few weeks with repeated accusations.

It is estimated the number of war dead totals 175,000, and the number of people displaced from Guatemalan territory exceeds 1 million.

De Leon Willing To Discuss Peace Timetable

PA2408013794 Guatemala City PRENSA LIBRE in Spanish 22 Aug 94 p 2

[Excerpt] Guatemalan President Ramiro De Leon Carpio is willing to travel to UN headquarters to directly negotiate strict application of the timetable for the peace process, as was agreed between a delegation of the government and the Guatemalan National Revolutionary Unity, URNG.

In a telephone conversation with Luis Morales Chua, PRENSA LIBRE deputy director, at 1800 yesterday, the president said the apparent impasse in the peace negotiations originates from internal difficulties within the URNG in recent days and the UN formalities that have prevented the initiation of the Verification Commission.

The president reported at the same time he has appointed a special commission to ensure the implementation of the commitments the government has made in the agreements that were signed as part of the negotiations for attaining firm and lasting peace.

The names of the individuals forming part of that official commission will be announced shortly. [passage omitted]

URNG General Command Issues 'Political Declaration'

PA2308215094 Guatemala City SIGLO VEINTIUNO in Spanish 20 Aug 94 p 39

[Paid advertisement on the "Political Declaration" issued by the URNG General Command on 19 August; place not given; words in boldface as published]

[Text] "The Problem is Not Evading Compliance But, Rather, Complying"

The past week was a good example, at the political level, of the grotesque cynicism of the government and its main spokesmen. They are trying to hide truly important matters behind their statements and publicity stunts.

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Therefore, we find it necessary to

Stress

1. The grave and obvious noncompliance with the Overall Agreement on Human Rights signed on 29 March, which became obligatory as of that date, is the primary reason why the negotiation process has come to a standstill.

It is absolutely legitimate and necessary five months after its implementation to demand compliance with the agreement and demand an end to the escalation of terrorist actions against the population, which, paradoxically, has increased since the signing of the agreement.

The government is using deceitful arguments to create confusion among the public and the international community, with the objective of evading an undeniable responsibility.

The main issue is compliance or noncompliance with the Overall Agreement on Human Rights. This responsibility is, undoubtedly, a government one.

Insults, publicity stunts, and coarse threats display the weakness of the government's position on the subject and confirms and strengthens the demands of the URNG [Guatemalan National Revolutionary Unity].

Therefore, neither blaming the United Nations, resorting to the structural agreement, nor talking about alleged problems within the URNG so as to distort reality and evade complying with a basic agreement is not valid.

2. Within that framework, President Ramiro De Leon Carpio's remarks about the 14 August elections, which he describes as a democratic example for the American Continent, is irresponsible and inconceivable.

The people have exhibited their repudiation of a scheme and the results of that maneuver as never before in history.

Making matters worse is the government's trying to hide its policy of noncompliance by presenting a false image through elections, which have been openly rejected and, therefore, are not legitimate or representative.

3. As we protested on 9 August, based on a flagrant violation of the Overall Agreement on Human Rights, the government has mounted a show by presenting four URNG members who supposedly voluntarily turned themselves in to the Army, an act which led to the discovery of an arms arsenal belonging to us.

We reaffirm that the URNG members were arrested by G-2 agents, that they were forced through psychological tortures and drugs to deliver what was presented and make false statements to the media.

No one can believe someone subject to those pressures enjoys freedom of expression. It is sad the president himself should use such weak arguments, when he as ombudsman had learned about similar cases.

The fact Alvaro Benito Morales Sovalbarro has not been interrogated is highly worrisome and suspicious and provides reasonable evidence he is being subject to pressures and torture.

The disappearance and recent concealment by the Army of four soldiers mentioned in the case corroborates the validity of our protest and the limitations imposed on the judicial branch.

At this crucial time in the negotiation process, the URNG General Command

Reiterates

The contents of its 15 July and 4 August statements, in demand of immediate compliance with the basic points in the Overall Agreement on Human Rights.

That in order to restore credibility in the negotiation process and consequently advance and establish a new date to continue the next round of talks, it is absolutely necessary to comply with the agreements.

Urges

The government of the Republic to comply with the agreements without avoiding its commitments and to be responsible and coherent in making statements and expressing its position.

The Guatemalan society to continue expressing their views in defense of their main rights.

The international community to continue exhibiting their solidarity and understanding toward the situation the Guatemalan people face in general, particularly toward the negotiation process.

URNG General Command

[Signed] Commander Rolando Moran

Commander Pablo Monsanto

Commander Gasapar Ilom

Carlos Gonzalez, secretary general of the CC [Central Committee] of the PGT [Guatemalan Labor Party]

[Dated] 19 August 1994

Defense Minister Views Army Reorganization

PA2308195094 Guatemala City PRENSA LIBRE in Spanish 19 Aug 94 p 8

[Interview with Defense Minister Major General Mario Rene Enriquez Morales by unidentified reporter; place and date not given]

[Text] [PRENSA LIBRE] Minister, could you tell us what institutional changes are being implemented to face the new conditions of our national policy?

[Enriquez] For the post-war period, we have already planned the reorganization of the Army, including its

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regionalization and relocation. We will exchange quantity for quality, which means that the number of soldiers will be reduced, but there will be an improvement in preparation, training, and quality of life.

[PRENSA LIBRE] Minister, you have never been "good boys" within the national context...

[Enriquez] Within the preconceived and elaborate stereotype of those who are unfavorable toward the army.... This, however, can be seen as a strategy to increase their power, as a great number of officers are studying at the university.

There is no comparison with the number of civilians. What happens is that some people feel that there is too much military presence in some municipalities or government institutions. I believe that this, too, has been exaggerated by people adverse to the Army.

[PRENSA LIBRE] General, could you comment on the military service law? Is there any solution for the problem of transferring recruits from one community to another, or will they have to complete military service in their own communities?

[Enriquez] That is what we would like. The reorganization includes regionalization, so that soldiers can be near their communities, to make it easier for their relatives to visit them and to make them feel at home.

[PRENSA LIBRE] Why do you think people will be more interested in enlisting for military service?

[Enriquez] For five reasons. One of them will be the salary, which must be improved. The second reason is that service time will be reduced from 30 to 18 months. Third, the living conditions of soldiers, which traditionally has not been the best—they did not sleep or eat properly—must be substantially improved, particularly relations between sergeants, corporals, and the new recruits. Another advantage will be the possibility of finishing high school during those 18 months. Finally, there will be peace, and they will not have to risk their lives. Those are five reasons why many people will want to join the army.

[PRENSA LIBRE] Will these improvements require an additional investment?

[Enriquez] Yes, additional funds will be necesary. Those investments, however, can be seen as exchanging quantity for quality. Defense alone absorbs 9 percent of the national budget. It should be established that in times of peace, it should not exceed 12 percent. The Army should have the necessary funds.

[PRENSA LIBRE] Have you considered receiving international cooperation at the institutional level during the post-war period?

[Henriquez] I believe that during the period following the armed conflict, we will again receive assistance from developed nations. That cooperation will include training our officers and experts and greater facilities to acquire technology that can benefit developing countries, like Guatemala, that still have a lot to learn.

[PRENSA LIBRE] On another subject, Gen. Enriquez, one of the criticisms against the Army has been the creation of the PAC [Self-Defense Patrols], which were instituted by General Rios Montt within the context of his campaign Rifles and Beans. Do you think that was a good measure?

[Enriquez] Regardless of who implemented that measure, I believe it prevented the system—this system to which Guatemala is accustomed—from falling into what Cuba is today or what Nicaragua was for some years.

[PRENSA LIBRE] Would you say that the army manipulated peasants by offering them beans for holding rifles?

[Enriquez] No, no, no. People in the countryside at that time had many needs. We could not only help them in the military field; we also had to offer economic assistance in order to develop as soon as possible areas affected by rebel actions. That was the rifles and beans concept.

[PRENSA LIBRE] What does it mean for a Guatemalan soldier to join the kaibiles [Guatemalan troops specialized in counterinsurgency actions]? Is it a way to be part of the armed forces elite?

[Enriquez] I believe that within the Army, we have what is known as "esprit de corps" in every unit, even if they are located in the country's most remote regions—and I dare not single out any specific one, because morale is very high in every one of them. Each unit believes it is the best, and the officer in charge has to convince his platoon that they are the best in the company, and that the company is the best in the battalion, and the battalion is the best in the military zone. It does not matter if they are paratroopers, rangers, jungle specialists, or kaibiles. The kaibiles undergo a more specialized training, although there is not much difference, why.... How much can be done during 56 days or 26 days of training to become a paratrooper?

[PRENSA LIBRE] Do these special units continue to exist in peace time?

[Enriquez] There are no reasons for them not to continue tp exist. It is said that the training makes them more bloodthirsty. No. The training does not make them more bloodthirsty. The training makes then aggressive, determined, and psychologically fit to enter into combat. As I pointed out to Monsignor Quezada Toruno "we are not training people in order to dress them to receive the Holy Sacrament, since they are not going to fight against angels."

[PRENSA LIBRE] Could you tell us what the National Security Council project is?

[Enriquez] I believe it is almost at the phase of National Security Council Permanent Secretariat. It is a well-advanced and elaborate project prepared by the government—not the Army—to be implemented, if possible,

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before the armed strife ends. I have information—because this project is being worked on at the presidential level—that it is well-advanced and that it will not be long before an agreement is reached so it can go into effect.

[PRENSA LIBRE] General, you canmot tell us the Army is totally uninvolved in such a delicate aspect of national security.

[Enriquez] I am not saying the contrary. It is true that the National Security Council Permanent Secretariat will give civilian advisory services to the president. However, the defense minister is also in the president's staff. The Council will work at the highest level.

[PRENSA LIBRE] This means the national security issue will be managed by the civilian sector?

[Enriquez] That is correct.

[PRENSA LIBRE] Will the Army accept losing control of an issue it has handled for so many years?

[Enriquez] Look, the Army never decided to have control; it took the spaces the civilians involuntarily relinquished. What we want is for civilians to occupy those spaces. I believe the system would have fallen eventually if we did not do what we did.

[PRENSA LIBRE] General, you have previously mentioned that there is a bit of a conflict between the soldiers at the battle front and those who are relaying the work done by the Armed Forces to society by attending seminars, conferences, and by participating in political activities. Do the soldiers at the battle front not feel cheated by this?

[Enriquez] I think they should never feel this way, and that is why we try to be more explicit and keep them as well-informed as possible. We talk to them frequently and truthfully about everything that happens, including the peace process, because there are many people interested in passing on false information in the Army, and this is not advisable.

[PRENSA LIBRE] Do they—the people interested in spreading false information—belong to the Army?

[Enriquez] In most cases, no. Anyway, all the soldiers who are at the battle front know that we too have been there. I was the Playa Grande commander up to three years ago. As a noncommissioned officer, I was a paratrooper for seven years, and we went everywhere because it was a strategic unit. I have been in the Army for more than 32 years. The guerrilla movement has been in existence for 34 years. And, I hope to God, it ends before I retire.

Nicaragua

Foreign Ministry Rules Out Safe Havens for Cubans

PA2408005294 Panama City ACAN in Spanish 2319 GMT 23 Aug 94

[Text] Managua, 23 Aug (ACAN-EFE)—The Nicaraguan Foreign Ministry announced today the country is in no condition to receive Cuban boat people or install "safe havens" for them. The ministry also denied there was any official U.S. Government request "in this regard."

"There are no conditions for this action (in Nicaragua)," a Nicaraguan Foreign Ministry spokesperson told ACAN-EFE in reference to reports from Washington the U.S. Government is negotiating with Central America and Caribbean governments on the installation of shelters for Cubans.

"Nicaragua's lack of facilities for Haitian refugees is equally valid for refugees from other countries," the source added, ruling out the possibility that Nicaragua will allow the installation of "safe havens" for Cubans fleeing their country.

White House Spokesperson Dee Dee Myers said in Washington today Central American countries and several Caribbean countries had stated they were willing to "explore the possibility" of accepting Cubans in their territory.

Chamorro Reaffirms Opposition to Invasion of Haiti

PA2408005694 Managua Radio Nicaragua Network in Spanish 1200 GMT 22 Aug 94

[From the "This Morning" newscast]

[Text] President Violeta Barrios de Chamorro has reaffirmed her government opposes an invasion of Haiti by multinational military forces to restore democracy to that Caribbean nation.

Upon returning this afternoon from Costa Rica, where she attended the 15th Summit of Central American Presidents, Chamorro told the press no country should be invaded. She said in response to a question from journalists at the international airport upon arrival from Costa Rica: As Nicaraguan president, I oppose any invasion.

Meanwhile, Deputy Foreign Minister Jose Pallais has denied the U.S. Government has hinted Nicaragua could participate in an invasion against the Haitian coupists. Pallais has admitted the Nicaraguan Government is studying the possibility of Nicaraguan soldiers participating in a multinational force that would be in charge of professionalizing the Haitian police and Army.

Mexican Envoy Receives Death Threat

PA2408005794 Managua BARRICADA in Spanish 23 Aug 94 p 4

[Report by Oliver Bodan]

[Text] Subcommander Daniel Paniagua, chief of security for embassies, has confirmed to BARRICADA Edgardo Flores Rivas, Mexican ambassador to Nicaragua, received a death threat in an anonymous telephone call

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shortly before 2300 the night of 21 August, and, therefore, police surveillance around the embassy has been increased.

Paniagua has said "one should not give too much credence to such situations," and "there is nothing to this effect." He added, however, "we are working on preventive measures and cannot rule out" any action.

An embassy guard had received a telephone call giving Ambassador Flores 24 hours to leave the country. The caller had said he was a member of the Zapatist National Liberation Army (EZLN) according to diplomatic sources.

"Embassies always have protection and surveillance. There are no signs indicating a possible attack on the embassy, but we are not going to downplay that there could be someone with political designs who could stage such an action," Paniagua added.

The subcommander has said there is a guard posted 24 hours who is watching out for anything unusual. There is also "constant and permanent communications" to foil any attack. He added no "suspects" or "movements" have been detected thus far that could indicate a possible attack.

Meanwhile, the Mexican Embassy has not officially contacted the Foreign Ministry to report on the matter. After the mysterious call was received, policemen were sent to the area to reinforce surveillance at both the ambassador's office and residence.

A Mexican diplomatic source has told BARRICADA the situation is not alarming. "It was just an anonymous telephone call, but we are taking the necessary measures," he has said. One of the preventive measures adopted by the diplomats is that of not taking "the same route at the same time," our source told us.

"What those people want is publicity in the papers. I do not believe someone from the EZLN in Chiapas had called, because I do not believe there are any followers here in Nicaragua. If that were the case, however, that would be serious," the source concluded.

Panama

New Government Willing To Accept Cuban Refugees

PA2308202094 Panama City Telemetro Television Network in Spanish 1730 GMT 23 Aug 94

[From the "Telemetro Reports" newscast]

[Text] Designated Foreign Minister Gabriel Lewis Galindo said today that the future Panamanian Government would accept a request from the United States to lodge Cuban boatpeople fleeing from Fidel Castro's regime in military bases.

When reporters asked him about a statement made by U.S. Secretary of Defense William Perry, Galindo said that no request has been received from the United States in that regard, but that President-elect Ernesto Perez Balladares would be willing to receive the Cubans.

Lewis Galindo Remarks on Refugees

PA2408015094 Panama City Circuito RPC Television in Spanish 2300 GMT 23 Aug 94

[From the "RPC Television News" newscast]

[Text] White House reports have announced the U.S. Government is negotiating with 12 Central American and Caribbean nations on the installation of safe havens for Cuban boat people. Among the nations with which negotiations are being held is Panama, where representatives of the government of Ernesto Perez Balladares have already expressed a willingness to cooperate:

[Begin Foreign Minister-designate Gabriel Lewis Galindo recording] No official request has been made, because we will not take office until 1 September. As far as I know, the U.S. Government has not presented any request to Guillermo Endara's government as of yet. We will make decisions beginning 1 September. [end recording]

According to the foreign minister-designate, any decision made by the new government will be studied and negotiated so as to guarantee the Panamanian people's normal way of life will not be adversely affected, but the new government will attempt to help the Cuban people and the U.S. Government:

[Begin recording] [Reporter Alexandra Ciniglio] [Words indistinct]

[Lewis Galindo] As long as an assessment is made of the situation, and these people are kept inside the military bases the U.S. Government has in Panama. This action would follow the same parameters we established for the Haitians. [end recording]

The case of the Cuban refugees is similar to what occurred a few months ago with Haiti. The government of Ernesto Perez Balladares will be in charge of negotiating with the United States, and, according to what was disclosed, the conditions Panama will set will be similar.

Commerce Minister-Designate on NAFTA, Trade Goals

PA2208182294 Panama City EL PANAMA AMERICA in Spanish 19 Aug 94 p 2A

[Report by Juan Manuel Diaz C.]

[Text] Nitzia de Villarreal, commerce and industries minister-designate, has said that joining NAFTA is more advisable for Panama than climbing the path toward Central American integration.

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Villarreal, who is the second woman appointed to a ministerial post in the government of Ernesto Perez Balladares, pointed out that if Panama is able to join NAFTA, a broader market will be within its reach for selling products and offering services, adding that we could join the Central American integration process in the future. But the country's interests will be better served if we broaden relations with North America, she stated.

She also said that we can analyze other markets like Mexico and South America's Colombia and Venezuela, where there are more trade opportunities that could be advantageous for our national products.

The future minister, who has a master's degree in industrial administration from the Santa Maria La Antigua University, maintained that joining GATT in less than a year is advisable for Panama. She explained that Panama's joining GATT is a requirement for joining NAFTA.

She recalled that Panama is one of the few countries that has not joined GATT. As long as we do not join it, the country will not be able to participate in the world's large trade agreements, adding that this is a process that must be consolidated in the mid term; otherwise, we will run the risk of being excluded due to the measures of inclusion.

She underscored: "It is essential for us to modernize to make the country more competitive and adapt it to international markets." She also underscored that the changes to be implemented must be adequately consulted with all sectors involved.

She pointed out that the new government must expedite the handling of the bilateral agreements signed with certain countries in order to take the most advantage of trade opportunities.

Among the new programs she is planning to implement at the MICI [Commerce and Industries Ministry] are improving the process to approve investments and expediting services offered to the industrial investor, as well as regulating commercial licenses and eliminating the bureaucratic process that delays the granting of operation permits.

Villarreal, born 14 May 1955, is planning to implement at MICI a program that will expedite the process of obtaining operating permits for people investing less that $10,000, thus avoiding unnecessary delays.

The minister-designate, who joined the Democratic Revolutionary Party (PRD) in 1981, has been MICI's hydrocarbons director general since 1982.

In her opinion, tourism should be one of the top job-creating sectors in the coming years, as the country has an extensive and very wealthy potential.

She stated that with the approval of the Tourism Law, which would create a variety of incentives for local and foreign investors, tourist activities could become quite developed in the next few years.

She added that the industry's development could be a key element in reducing national unemployment. The new administration, therefore, should give it full support.

During her tenure as hydrocarbons director she participated in negotiations with Venezuela's Lagoven, Mexican Petroleum, and the Ecuadoran Petroleum Enterprise to secure crude oil supplies.

She affirmed that in her new job she will take steps toward paying off the country's oil debt with Mexico and Venezuela. This liability totals about $250 million.

Nevertheless, she warned that this would depend on the plans the new government has for meeting these obligations and must be approved by other cabinet ministers.

Regarding banana-marketing policies, the minister-designate expressed the need to protect one of the country's most important export activities. She recalled that restrictions now imposed by the EC prevent us from maintaining normal export volumes to those countries.

She noted that it is necessary to adopt a common stand with other Latin American nations that export this fruit, to regain respect for free international trade.

She said that the application of these market restrictions is contrary to the open policies being promoted around the globe and that we will maintain a firm position in defense of free markets.

Regarding the Price Control Office, Villarreal said the current price control system will not work within the new market policy.

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Argentina

'Not Enough Proof' for Supreme Court To Take AMIA Case

PY2308231694 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2133 GMT 23 Aug 94

[Text] Buenos Aires, 23 Aug (NA)—Attorney General Angel Aguero Iturbe, who was recently installed, has stated that "there is not enough proof" for the Supreme Court to take over the inquest into the attack on the AMIA [Argentine-Israeli Mutual Association] headquarters. The Supreme Court, meanwhile, again convened on 23 August to discuss the adoption of a decision on the case.

The Supreme Court began to study the subject of jurisdiction during the morning session, this time with the attorney general's ruling in hand. Still, it decided to adjourn soon after midday in order to discuss, among other things, the formula to be used in swearing allegiance to the new Constitution on 24 August.

Aguero Iturbe asked Supreme Court justices to "send the proceedings back to Judge" Juan Jose Galeano, despite the fact that he had never for one moment stopped hearing the AMIA case.

The Supreme Court is analyzing the possibility of declaring itself in possession of original jurisdiction over the case only if it is proven that foreign diplomats were implicated in the attack.

Aguero Iturbe moreover labeled as "capricious and false" reports that contended that Gustavo Hornos, a federal prosecutor, had been removed from the inquest into the attack on the AMIA headquarters, which was perpetrated on 18 July.

The attorney general was of the opinion that Judge Galeano should continue hearing the case, as he deemed "there is not enough evidence" for the Supreme Court to intervene.

According to Aguero Iturbe, it would be "premature" if the Supreme Court were to take over the AMIA case.

"There is not enough evidence" to have the Supreme Court "assume the original jurisdiction granted by the Constitution in questions pertaining to foreign diplomats."

Having brought charges against three Argentines and having requested the arrest of four Iranian officials, Judge Galeano submitted a copy of his ruling to the Supreme Court in light of the fact that two diplomats from the Iranian Embassy in Buenos Aires were also mentioned in his ruling as "suspects" in the attack.

Aguero Iturbe today made a protocol visit to Supreme Court justices, who held a regular meeting this morning.

Upon leaving the courthouse the attorney general gave a news conference in which he made it clear that he had submitted his ruling to the Supreme Court on 22 August.

He explained that concerning the AMIA case "there are not enough elements to define the question of jurisdiction," because "the evidence is not weighty enough so as enable the transfer of the case to the Supreme Court."

With regard to reports that prosecutor Hornos had been removed from the AMIA case, Aguero Iturbe stated that "this is not true." He argued that such a rumor "is capricious and false."

Drug Trafficking Cooperation Accord Signed With UK

PY2308010794 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1753 GMT 22 Aug 94

[Text] Buenos Aires, 22 Aug (NA)—The Argentine and UK Governments signed today a cooperation and assistance agreement to fight drug trafficking. The agreement contemplates the confiscation of "all assets" derived from the drug trade.

The framework agreement was signed in this capital by Alberto Lestelle, drug addiction prevention and narcotics enforcement secretary, and British Home Office Secretary Michael Howard.

Howard said he was "very pleased to be able to sign the agreement," which has the purpose "of finding ways to improve cooperation and make the battle against drugs more efficient."

"We signed an agreement that will allow us to confiscate all assets derived from drug trafficking. We have other proposals under study as well," the British secretary said.

Howard was accompanied by Sir Peter Hall, UK ambassador to Argentina, and the British CI-5 division (drugs) chief Peter Storr during the signing ceremony at Lestelle's offices.

Lestelle stressed that "the agreement includes items in the areas of reducing demand, controlling illegal trade, and international cooperation."

Within the area of reducing demand, the agreement includes issues related to primary prevention, assistance, rehabilitation, and the social rehabilitation of drug addicts.

The second area includes customs cooperation; the illegal sea trade; reciprocal judicial assistance; comparative legislation research; the implementation of new legal figures: extradition, controlled delivery, repentant, informant, and cover agent; education and therapeutical security measures; assets control and money laundering; and the control of precursors and basic chemicals.

The two countries coordinated their cooperation in international forums and the training of health, education, security, and justice agents in the Caribbean and Latin American region.

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Tomorrow the British minister's wife will visit the installation of the "Por Decir" Rehabilitation Center, located at 789 Lugones in the Buenos Aires neighborhood of Moron.

Survey: Menem Would Win Election in First Round

PY2008040194 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2142 GMT 18 Aug 94

[Text] A public opinion poll conducted by the Sofres Company in Greater Buenos Aires showed that if a presidential election were held today, President Carlos Menem would win comfortably in the first round and would again be successful in the runoff.

The survey, which was conducted among 600 homes in the 19 boroughs of Greater Buenos Aires last week, shows that Menem's most important rivals in the runoff are Carlos "Chacho" Alvarez from the Grand Front and Eduardo Angeloz from the Radical Civic Union [UCR].

With regard to party preferences, the public opinion survey showed that the Justicialist Party [PJ] would get 35.5 percent of the vote, the Grand Front 14.7 percent; the UCR 12.5 percent, and the Modin [Movement for Dignity and Independence] 6.0 percent.

As for the choice of candidate of those polled, 23.3 percent would vote for Menem, 12.4 percent for Buenos Aires Province Governor Eduardo Duhalde, 12.3 percent for Alvarez, 10.3 for Angeloz, 7.5 percent for Modin Deputy Aldo Rico, 5.8 percent for Justicialist Senator Octavio Bordon, 4.7 percent for UCR Senator Fernado de la Rua, 4.3 percent for Tucuman Province Governor Ramon Ortega, 3.3 percent for UCR Deputy Federico Storani, 3.0 for Rio Negro Province Governor Horacio Massaccesi, 1.i percent for Santa Fe Province Governor Carlos Reutemann; 0.9 percent for UCR President Raul Alfonsin, and 0.5 percent for Corrientes Governor Jose Antonio Romero Feris.

It should be pointed out that Duhalde's popularity is somehow relativized by the fact that he is rather seen as candidate for the Buenos Aires Province governorship on account of the debate that has arisen concerning his possible reelection.

The survey reveals that if there is a runoff Menem would defeat Alvarez by 44.4 to 40.3 percent, Angeloz by 42.3 to 38.7 percent, de la Rua by 46.2 to 36.7 percent, Bordon by 44.4 to 34.1 percent, Massaccesi by 47.0 to 27.7 percent, and Storani by 49.7 to 28.4 percent.98

The public opinion poll, conducted by Enrique Zuleta Puceiro's company at the request of the UCR, shows that 38.2 percent of those surveyed believe that Angeloz is "the best UCR presidential candidate," followed by de la Rua with 15.0 percent, Massaccesi with 11.2 percent, Storani with 9.9 percent, Rodolfo Terragno with 4.6 percent, and Alfonsin with 3.2 percent.

The survey underlines that Angeloz is believed to be the UCR candidate who is "the most advantageously positioned" (only 1.5 points below Alvarez).

Sofres also underscores that with this profile in Greater Buenos Aires and bearing in mind the traditional support the UCR has in the Province of Buenos Aires, the UCR should be the runner-up in this province following the PJ.

Last 10 April, 42.9 percent chose Angeloz as their favorite UCR candidate, while 17.6 percent chose Storani. Angeloz was also the favorite for 32.5 percent of those who would vote for the Grand Front, followed by Storani with 21.3 percent.

UCR Deputy Storani To Run for President

PY1908202694 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1157 GMT 19 Aug 94

[Excerpts] Buenos Aires, 19 Aug (NA)—UCR [Radical Civic Union] Deputy Federico Storani has proposed enhancing the policy of alliances to form a "coalition government in 1995," noting that "there is a crisis looming" in Argentina.

Storani pointed out that "the government is losing social credibility" and asked his party "to regain the UCR profile as an opposition party."

The UCR legislator championed the idea of open UCR primaries "to prevent authoritarian nominations." He emphasized that this will ensure that "members and non-members decide the party's profile."

Storani said this during a news conference yesterday at which he officially announced his candidacy for president for the UCR's Radical Convergence faction.

The UCR legislator said his nomination is "irrevocable," ruling out the possibility of forming alliances that would place him as a running mate. He championed the idea of primaries to prevent the nomination of candidates "as a result of agreements among leaders." [passage omitted]

Storani championed the "platform agreement" drafted with Grand Front leader Carlos "Chacho" Alvarez and Justicialist Party Senator Jose Octavio Bordon. He siad: "The UCR alone cannot become a government alternative."

Storani proposed "enhancing the policy of alliances to cope with the crisis that is looming and to show there is a different path than the one proposed by Menemism."

Storani went even further, proposing "a coalition government" to achieve a presidential victory. He announced: "The country will not be governable for one party alone."

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Bill Punishing Environmental Offenders Announced

PY2208211394 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1741 GMT 20 Aug 94

[Text] Buenos Aires, 20 Aug (NA)—President Carlos Menem said today that anyone contaminating the environment could receive sentences of up to 10 to 15 years in prison, warning that when the crime results in the death of an individual the person committing it might be sentenced to life in prison. These penalties are included in a bill the executive branch has sent to Congress.

"There is no other way, regrettably, to advance on this very important path. If we do not fight this scourge as soon as possible, it will finish off humankind," the president said.

Menem made these remarks during the closing ceremony of the 66th International Law Association Conference which was held in this capital.

During his speech the president said: "The Constitution we have reformed, and which we will swear to respect next week, includes a clause, or a constitutional disposition, referring expressly to the issue of the environment."

Menem said the executive branch bill "severely punishes people who contaminate the environment—the seas, the rivers, or the atmosphere—and makes progress possible on stopping the destruction of the ozone layer."

"These people will receive sentences of up to 15 years in prison. They will receive a life sentence when the damage causes the death of a human being," the president said.

Brazil

Lack of Senate Action on Patents Law Prompts Resignation

PY2308145794 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 21 Aug 94 p B8

[Article by Jo Galazi]

[Text] Rio de Janeiro—Lawyer Jose Roberto d'Affonseca Gusmao, the president of the National Institute of Industrial Property (INPI), will leave his post on 26 August. He is only waiting for President Itamar Franco to sign the decree authorizing his resignation. Gusmao resigned after concluding that the Senate will not approve the Industrial Property Law or Patents Rights Law this year.

He told O ESTADO that the law was approved by the Chamber of Deputies and sent more than a year ago to the Senate. Subsequently, neither Constitution and Justice Committee Rapporteur Senator Antonio Mariz (PMDB) [Brazilian Democratic Movement Party] nor Economic Affairs Committee Rapporteur Senator Jose Richa (PSDB) [Brazilian Social Democracy Party] have presented their reports to the Senate. Gusmao said that the lack of a patents rights bill could seriously harm Brazil.

Gusmao said the slowness in approving the law again places Brazil under the risk of retaliation by the U.S. Government. Such was the case in the past: The absence of effective protection for intellectual and industrial property rights in Brazil prompted the U.S. Government to threaten to apply surcharges (that is, additional taxes) on Brazilian products, like shoes, which are important in the trade volume with the United States.

"With the law stranded in the Senate, the Americans may conclude the process is frozen," Gusmao said. This is why investigations on unfair trade practices in the field of intellectual and industrial property rights may be resumed.

Gusmao pointed out that he became INPI president in April 1993 with the mission to prepare the institute for the implementation of an industrial property rights bill, reoriente it to attain a technical improvement, and follow up the development of the bill in the National Congress. "I have fulfilled my mission" he said, adding: "I participated in all negotiations with the Americans until we arrived at a satisfactory conclusion, the threats of retaliations were withdrawn, and the law was finally approved in the Chamber of Deputies."

Gusmao found a curious situation when he assumed his post: He discovered that—even though there was no legal prohibition—patents were not granted in the field of biotechnology, "on the orders of former administrations." This means patents in the field of pharmaceutics, chemical products, and food were not granted. Under the new law—as approved by the Chamber of Deputies—this is now possible.

"It would be an attack on the law to deny biotechnological patents, and that is why I ordered the INPI to grant them. Thanks to this," Gusmao said, the artificial skin for treating burns—which was created in Brazil and which is having great international success—was patented. [no closing quotation marks as published]

Editorial Urges Approval of Intellectual Rights Bill

PY2408034594 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 21 Aug 94 p 3

[Editorial from the "Notes and Informations" page: "The Responsibility of Congress"]

[Text] So far this year, the truancy of congressmen has begun to produce damage that can be measured in dollars, in that some Brazilian products have lost competitiveness on the U.S. market, and in reals, because employment has been jeopardized. The bill regulating intellectual property rights is drifting through congressional committees in total heedlessness to the pressing needs of Brazilian foreign trade and the imperative

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timetables imposed by U.S. trade laws. For several congressmen this situation reflects an expression of will and, considering that they are members of Congress, an expression of sovereignty. For the enterprises that have begun to lose competitiveness and for the workers who will lose their jobs because of the reductions in parts of our export sector, however, this attitude is nothing but irresponsible behavior.

On 1 July the Generalized System of Preferences (GSP) eliminated 22 Brazilian products from its lists. These products will now have to pay the entire import tariff in order to enter the United States. The list begins with automobile motors, aluminum head stocks, chemicals, wood products, paper, fibers, and glass. The first two products are part of the second most important item that is exported to the United States, auto spare parts. The loss of the preferential tariff will mean, at the best, that Brazilian suppliers will have to reduce their profits or further streamline their production lines if they want to continue supplying the U.S. market. At the worst the increased tariffs will mean losing the market.

It is necessary to emphasize the circumstances under which the U.S. Government made its decision. These products had reached the level of competitiveness above which the preferential tariffs are lifted. U.S. buyers, however, asked the Department of Commerce for a "waiver" for those products, a request that was granted by the subcommittee of the Office of the U.S. Trade Representative. The decision to withdraw the products from the list was thus not made on technical grounds. It was a political decision.

In February, because of the lack of a Brazilian law on intellectual property rights, and because of the timetable established by U.S. law, Washington had to decide either to surtax some Brazilian products that are exported to the United States, or exert pressure on Brasilia. In an obvious gesture of good will—because it could have chosen the first option, causing Brazilian exporters to twist under pain—the U.S. Government preferred the longer course of pressure. In the middle of the game, diplomats from the two countries arrived at mutually satisfactory positions on the terms and deadlines for approval of the Brazilian law. From then on the entire responsibility passed on to Congress, which did nothing to approve the law, which is essential for Brazilian foreign trade and for facilitating the transfer of technology.

The withdrawal of these 22 products from the list of the Generalized System of Preferences is the answer that the U.S. Government has given to this neglect by Congress. It is a discreet and soft warning. It could cost Brazilian exporters approximately $180 million, in products that will be difficult to sell in other markets. Brazilian Congressmen should pay attention to this: The United States has included Brazil on the list of the 13 most promising developing economies—a decision that involves some degree of good will toward us—yet on the other hand, after Mexico was eliminated from the GSP, Brazil is the only big country enjoying preferential tariffs and, consequently, the most visible and vulnerable one.

This is not the only thing about which our lawmakers should be urgently concerned. A bill has already been submitted to Congress for approval of the agreements made in the Uruguay Round of the GATT talks. In April, during a meeting in Marrakech, over 150 countries decided to approve the agreements before the end of the year, so that they can come into force in January 1995. If Congress does not meet the deadline, either because of truancy or as a childish affirmation of sovereignty—as if complying with deadlines could harm sovereignty!—Brazil will become vulnerable, because it will be unable to demand compliance with the general commercial regulations that Brazil itself had demanded.

Brazil is a country with a diversified commerce that does not concentrate on any geographical location. As Finance Minister Rubens Ricupero has tirelessly said, our trade is guaranteed and strengthened by stable, universal rules. And it is this set of rules that Congress has to approve as soon as possible, under penalty of jeopardizing thousands of jobs that depend on the export sector. It still remains to be seen whether, in the middle of the electoral campaign, someone will care for the image that Brazil has abroad.

Lula: Strikes 'Have Nothing To Do' With PT Campaign

PY2408025194 Rio de Janeiro JORNAL DO BRASIL in Portuguese 23 Aug 94 p 5

[Article by Milton Abrucio Jr.]

[Excerpt] Sao Paulo—PT [Workers Party] presidential candidate Luiz Inacio Lula da Silva said yesterday that if any strike is to be held in September, workers should first confirm that individual labor sectors have been harmed, "because no leader is so crazy as to go on strike without proving to his own sector that their salaries have deteriorated." Lula said that any strike before the elections on 3 October "will have nothing to do" with his candidacy. "If a strike is justified, I will obviously support it, as I have always done," Lula said.

The Sole Workers Center (CUT), which has strong links to the PT, is in a difficult situation: major CUT sectors, like bank and oil workers, can give Lula's adversaries an opportunity to charge that the PT candidate is pushing the strikes against the country in order to reverse the electoral campaign situation. On the other hand, if there are no strikes the same adversaries can claim that this fact reflects approval of the real. Lula's strategy is to remain distant from any mobilization, while leaders like CUT President Vicente Paulo da Silva, aka Vicentinho, will check "abuses" in any strike that is declared.

Lula said he has felt what he calls pressure from the government and from the candidate supported by the federal apparatus, Fernando Henrique Cardoso (PSDB/

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PFL/PTB) [Brazilian Social Democracy Party/Liberal Front Party/Brazilian Labor Party], who claim that any strike would be a blow against the Real Plan. [passage omitted]

Government To Oppose Vatican Policies at ICPD Conference

PY2408030194 Sao Paulo AGENCIA ESTADO in Portuguese 2319 GMT 19 Aug 94

[Report by Roldao Arruda]

[Text] Sao Paulo, 19 Aug (AE)—Brazil, the country with the greatest number of Catholics in the world, will be one of the Vatican's main opponents in the debates at the UN International Conference on Population and Development [ICPD] that will take place between 5 and 13 September in Egypt. Brazilian Foreign Ministry representative Marcia Coutinho Adorno today admitted at a seminar in Sao Paulo that the Brazilian delegation will not endorse the Holy See's restrictions regarding women's reproductive rights, sexual education for teenagers, and different forms of family organization.

"Together with other countries of the region, Brazil is following a line definitively in favor of women's reproductive rights, with a realistic perception of the needs of teenagers and a flexible vision regarding the family," said Adorno. This does not mean that Brazilians will defend abortion as a family planning method. "We do not support that idea under any condition," she added. "That is not contemplated by our laws, which we cannot go beyond or ignore."

The Foreign Ministry representative said that the Brazilian position is that of the Latin America and Caribbean Consensus. In March 1994, representatives from the countries of the region met in Mexico and arrived at a consensus. Later on the Vatican began to discuss with each government separately the terms of the document. The Holy See will not accept certain expressions stated in the document because they allegedly conceal—according to the Catholic Church—forms of support for abortion. The vetoed expressions are, among others, "sexual and reproductive health," "family planning," and "safe maternity."

Some countries, like Argentina and Nicaragua, have accepted the impositions of the Vatican, and broke away from the consensus they had signed. The Brazilian Government, however, has not changed its position. In a letter to Pope John Paul II, President Itamar Franco said that the Brazilian position is based on the Constitution and on the terms of the international documents signed by consensus.

Adorno said that Brazil will continue to seek, as is its tradition, formulas to encourage a consensus among the 150 countries that will attend the ICPD in Cairo. But Brazil cannot ignore its domestic reality. "Many women still do not have suitable access to information or to the means to allow them to have the number of children they want at the time they chose," the Foreign Ministry representative said. She added: "Those women are being deprived of their reproductive rights, guaranteed by the Constitution."

She also stressed the issue of sexual education among teenagers. "The government is worried about teenage motherhood," said Adorno. "Our teenagers continue to show high fertility rates as opposed to the other age groups, where fertility rates show a drop."

Chile

Cuba's Robaina Meets Foreign Minister Figueroa

PY2308190394 Santiago Television Nacional de Chile Imagen Internacional in Spanish 1800 GMT 23 Aug 94

[Text] Cuban Foreign Minister Roberto Robaina has explained the situation in his country to his Chilean Counterpart Carlos Figueroa. They also discussed the possible resumption of diplomatic relations.

The two foreign ministers held a lengthy meeting during which they discussed matters of bilateral interest. The meeting was termed very productive because it afforded the Chilean foreign minister to a first-hand report on the situation in Cuba.

[Begin recording] [Robaina] The meeting was very broad. The talks were not official but I think we had a very profound and open agenda. We talked about almost everything with no restrictions at all, discussing all our aspirations and our dissatisfactions. [end recording]

[Figueroa] We talked about many things and I received a first-hand report on the Cuban situation, on the progress the Cuban Government wants to achieve, and on the current tense situation in the Caribbean region—which worries us because we are part of the hemispherical community. [end recording]

Robaina, Figueroa Discuss Ties

PY2408035594 Santiago Television Nacional de Chile Imagen Internacional in Spanish 0100 GMT 24 Aug 94

[Excerpts] U.S. Government representatives in Santiago have asserted that the United States will not change its policy toward Cuba while there is no progress toward democracy on the island.

The Cuban foreign minister also explained to Chilean officials the delicate situation his country is experiencing.

[Begin recording] [Unidentified reporter] [passage omitted] Meanwhile, Chilean Foreign Minister Carlos Figueroa held an extensive meeting with Cuban Foreign Minister Roberto Robaina. The main issue discussed during the meeting was the delicate situation that is currently affecting Cuba.

[Robaina] Although it is true that Cuba wants to know about Chile, I believe it is much more important that Chile is interested in learning about the important situation that is today affecting Cuba; in learning about the

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difficult situation we are facing. This is a highly complex situation that in the past few days has been clouded by an alleged phenomenon of emigration, which really has nothing to do with emigration.

[Reporter] The meeting was described as very productive. They admitted to having discussed the eventual resumption of diplomatic ties between the two countries, because no issues were excluded from the agenda. [end recording]

Robaina Interviewed on Ties

PY2308171094 Santiago Television Nacional de Chile Imagen Internacional in Spanish 0100 GMT 23 Aug 94

["Exclusive" interview with Cuban Foreign Minister Roberto Robaina by correspondent Bernardo de la Maza in Santiago on 22 August]

[Text] [De la Maza] You must be aware that your visit to Chile has caused quite a controversy. The government said you are welcome, but the opposition said you should be declared persona non grata. What is your opinion of all this, Minister Robaina?

[Robaina] I really believe that the long and short of it is that one cannot get on well with or be welcomed by all sectors. This is not our purpose. I simply think the most important thing is not the deference with which one is treated, but rather the mutual benefit we will be able to derive from our contacts; which I believe means Chileans and Cubans may be able to know each other better. I am absolutely sure that as we get to know each other better, some opinions will probably change.

[De la Maza] With regard to the next subject, we are well aware of your government's official stance. I would still like to know your personal opinion on the situation confronting Cuba now that thousands of people are venturing into the sea in most precarious conditions, seeking to get to the United States?

[Robaina] It is a much more complex phenomenon, not just associated with those thousands who take to the sea. We share and work with perhaps many more thousands who, finding themselves in the same situation, would have liked to do things legally but who realize they had no success when trying to do things in that way. Unfortunately, this is a sad situation, but a sad situation we would like to expose in a much deeper way. It does not only entail saying that entry [to the United States] is now forbidden. I believe the migratory phenomena like the one now occurring in my country are a common occurrence in any poor country in this world. The reason why this current Cuban phenomenon has become such a public issue is because no other nation but Cuba has been so strongly encouraged from abroad to carry out an illegal immigration. I believe it is a difficult, serious, and complex economic problem but millions of us remain on the island and are willing to face the situation and have never wanted people to take to the sea. The problem is that the party with whom we discuss, or better said, would like to discuss the problem would rather create scandal and turn it into a public issue. In the long term, I believe they show very little interest in those people.

[De la Maza] Minister, in your opinion, why do these people really want to flee. For political or economic reasons, or both?

[Robaina] I believe only they can tell us the true reasons. They can explain and must admit that, in most cases, their reasons are not of a political nature. In most cases they are economic reasons because our country is, obviously, enduring its worst moment. Therefore, it is emigration for strongly economic reasons that, I believe, is being politicized. These people have discovered that every time there is a political pronouncement they receive a warm welcome on the other side. Therefore, I believe this massive emigration phenomenon for economic reasons is being politicized, especially by those who want to condemn a country that has chosen its own path.

[De la Maza] You, as well as President Fidel Castro, have said your country is facing serious economic problems. Have you never stopped to think that the Cuba Government may have made serious mistakes that must be amended?

[Robaina] Yes, naturally, we have thought so and even said so. We have not only thought so or said so, but we have also have discussed...

[Text] [De la Maza, interrupting] What are these mistakes?

[Robaina] First, in 1986 we realized that something could happen to us, but we never thought it would be so serious and so soon. I think one of the mistakes we may have made, better said, is that we lived for many years subject to a privileged relationship we thought would last for ever with the socialist world we were not prepared to see collapse. I believe we are paying a high price for the mistake of mechanically copying a model rather than developing one with our own resources, diversifying our foreign trade, and developing activities that would not make us depend exclusively on a relationship with the socialist world.

[De la Maza] Minister, this began in 1990-91, almost four years ago, but the amendments do not seem to have worked as well as expected because the situation seems to be growing increasingly difficult. How do you see the future under these circumstances?

[Robaina] All we do now will be for the sake of Cuba's future. I would say we have very little time to think because we need all our time to work. I would say the worst moment is over. Not because we need more or less. I say the worst moment is over because at the moment we had to ...

[De la Maza, interrupting] Do you mean the worst moment is over?

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[Robaina] Yes, just let me finish what I was saying. The worst moment is over, not because we have more or less material assets, but because the moment in which we had to prove to the world and to ourselves that we were able to resist has been overcome. We have overcome that moment and are now showing signs of recovery.

[De la Maza] Could you mention some concrete areas in which the recovery is obvious?

[Robaina] Well, in the economic field, for example, an opening to foreign investments without precedents has started; there is an opening for private entrepreneurs; we have normalized, or better said, set the path to normalize our relationship with Cubans living abroad who have a respect and an understanding for Cuba, and their investments are beginning flow into the island; in the midst of this difficult situation, Cuba provides health care and education like very few countries in the world; in the midst of this difficult, Cuba has an infant mortality rate of less than (?10) percent; a 75- year life expectance; Cuba has not had to close down any schools or hospitals. It is true Cubans do not have a variety of foodstuff on their table, but looking around the world to which we belong, we see that there are many who do not even have a table.

[De la Maza] Minister, many believe a consensual solution, something like here in Chile, may be feasible in Cuba. In Chile, General Pinochet continues to be the Army commander. In Cuba, Fidel Castro could continue to hold an outstanding post, be it in any field, political or any other. If this were to happen, what role would you like to play?

[Robaina] I think the situations in Chile and Cuba are quite different. I respect the Chilean model and its implementation, but you are well aware of the Cuban stance. I think our reality is quite different to yours. Therefore, it is quite unlikely, based not only on the characteristics of the countries but of the people you have mentioned. You know our stance and I do not think there is any point in further discussing the issue. I would like to point out that, whatever the outcome in Cuba of any a project, I do not aspire to any specific role.

[De la Maza] Do you perceive the possibility of an important change taking place in Cuba?

[Robaina] I believe we started the most significant political change a long time ago and it has not concluded yet. Cubans do not feel the need to exclude Fidel from this political change. Fidel is a significant protagonist of the project we uphold, the project we have undertaken, and it means a lot to Cubans, to the new and not so new generations. Moreover, it is not the case of keeping a post for him because he has earned it with his work and background [words indistinct].

[De la Maza] For the past 35 years you have strived to build a paradise—to give it a name—that offers free health care, education, equity in all fields, but this effort is causing you true difficulties. Cuba is plagued by shortages, poverty, unrest in significant sectors. Would it not be more rational to admit that, at least now, it is an unfeasible utopia, that there are better ways to attain the peoples' wellbeing and happiness.

[Robaina] Cuba has not abandoned the socialist system although it is aware that the circumstances for this system do not exist. Cuba is aware of interesting models in the world which it exhaustively assesses and studies but it is not willing to mechanically copy them. Cuba wants a tropicalized model because it does not want to make the same mistake again.

[De la Maza] But do you at least accept the possibility of an intermediate system.

[Robaina] I think so. We have said so publicly. We have said so—I personally like things in black and white although I do not think everything is black or white, life is full of different shades. We believe every system has its good and bad points. We do not intend to design a model and follow it, no matter what. We want to design a model that is feasible in practice. Precisely now, in August 1994, Cuba has experiences extracted from the model we have upheld, but we also have other experiences that are beginning to yield good results which were extracted from relations with capitalists. I do not believe we are designing an exemplary model—we do not aspire to that—we want a human process and the more human it is the more imperfect it will be.

[De la Maza] In the political field, many countries—Chile established it as a requirement for the resumption of relations—have stated that Cuba must take certain steps toward democratization—in the way the western hemisphere understands democratization—and respect for human rights. What do you think about this, have you assessed this possibility seriously?

[Robaina] I do not think you can transfer traditional models of democratization and respect for human rights from a western, rich world, to a poor country such as ours when the basic right is being violated systematically, that is, the right to life, education, and a job. We do not consider ourselves a perfect country from the viewpoint of the respect of human rights, but we started a process precisely out of respect for the human rights of 10 million Cubans. I believe we have attained a lot but that there is still a lot to be done. For example, the arguments I have witnessed within the United Nations are not comprehensive, healthy. The arguments I have witnessed within the United Nations regarding human rights are discriminating, selective, and highly politicized. Some act as judges and condemn the poor nations when they still have a lot to solve in their own countries. I believe if we are going to talk about human rights we must talk about every human right in every country. We will not tolerate the rich acting as judges and the poor as culprits.

[De la Maza] Thank you very much minister.

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[Robaina] Thank you.

Frei To Submit Constitutional Amendments to Congress

PY2308002094 Santiago LA TERCERA DE LA HORA in Spanish 16 Aug 94 p 6

[Article by Carmen Luz Ibarra]

[Text] President Eduardo Frei Ruiz-Tagle returned yesterday to Santiago, after having spent the long weekend at the Cerro Castillo Palace in Vina del Mar. As of today President Frei is facing an intense work schedule, in the course of which he will be submitting to Congress the constitutional reform bill, the debate on the municipal income bill, and an assessment of his first six months in government.

It is believed that government officials will resume negotiations with the opposition on the municipal income issue. Although not much progress has been achieved in the past few days on the issue, the executive branch trusts that an agreement will be reached within the framework of the tax agreement that has been achieved with the right.

The six constitutional amendments to be submitted within the next few hours to Congress still lack the opposition's support. There is optimism in this regard, however, in view of the meeting that Presidential Secretary General Genaro Arriagada is scheduled to hold today with the National Renewal (RN) leadership.

In sum, the proposed amendments are: the elimination of appointed senators; changing the binominal electoral system to a corrected proportional electoral system; expanding the Chamber of Deputies' powers; expediting the drafting of laws; changing the members of the Constitutional Court; and expanding presidential powers to include being able to call a plebiscite.

Moreover, in the past few days there have been intense rumors about a cabinet reshuffle, but Government House officials have remained indifferent to these commentaries, and have at most expressed surprise over such "completely groundless" assumptions.

Only President Frei knows the issues he reviewed during the long weekend, and very soon we will learn what these issues were.

Although no agreements will be reached on the amendments, the executive branch will probably submit the amendment bill to Congress tomorrow.

Among the many issues to be discussed by the president when he resumes his activities is the scheduled visit that retirees will pay to La Moneda Palace. They are to be headed by their leader, Juan Antonio Torres.

It has been learned that the group of retirees will meet at 1200 at 60 Almirante Barroso Street with former Housing and Urban Affairs Minister Alberto Etchegaray, who heads a committee that seeks to eliminate poverty. Later, dressed in mourning and carrying black banners, they are to go to Government House, where they will submit a note to the president.

The possibility that some eggs will again be hurled, and that the police will try to prevent this, is not out of the question.

DC At 'Forefront' of Party Democratization

94P21083A Santiago LA NACION in Spanish 25 Jul 94 p 30

[Editorial: "New Leader of the DC Family"]

[Text] The elections process aimed at renewing the posts of president, first vice president, and secretary general of Christian Democracy [DC] has just ended. As you know, the team made up of Alejandro Foxley, Jorge Pizarro, and Francisco Frei won by a wide margin. Thus, for the second time in a short while, the members of the party with the greatest support in the country participated throughout Chile in choosing their leaders. This fact alone is notable, since it puts this party in the forefront of the internal democratization of the Chilean political organizations.

In the past, these authorities were elected indirectly. First, the members voted for delegates to the national council and then, in a great assembly, their authorities were elected. The people's mandate was not always respected. This old method persists in the election of the other members of the leadership, which makes representation of the different views possible.

The fact that 53,000 members voted is not a bad sign, if one takes into account that many of those who have joined the party are passive supporters. It should also be kept in mind that the structure of the DC's regional bodies works against greater participation; that organization, although it made it possible for the party to survive during the dictatorship, is perhaps no longer what a modern party with a national presence requires.

The first great pre-election surprise was given by Deputy Gutenberg Martinez, the acting president, who in a decision full of symbolism declined to run for president; this was a natural outcome of the work he had taken on along with current President Frei.

Aside from the criticisms typical of the campaign, his work has received praise from various sectors, inside and outside the party. Within the administration, the loyalty with which Martinez contributed to President Frei's work is well known.

In accordance with the new times, the campaign did not fall into personal mud-slinging and left behind the bad practices that used to occur. Senator Hormazabal and Rafael Moreno stressed the need for internal debate and were worthy rivals, even though they knew they had little chance of success. At the end, even former President

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Aylwin ended his silence and set forth his points of view at a time he considered appropriate.

The overwhelming support that Foxley, Pizarro, and Francisco Frei evoked may be interpreted as support for the former leadership but also as a call to quickly adapt the party to the pressing needs of these times.

Foxley will need all his abilities in order to rise to the challenge of leading the DC along the path of revitalization, commitment to President Frei's administration, and maintaining and strengthening the Coalition of Parties for Democracy. On his staff he will have the support of Jorge Pizarro, who is experienced in handling the difficult party structure and the congressional sector, and Francisco Frei, who brings his own opinions and his youth. The three make up a multidisciplinary group that should become a permanent team.

The result has particular repercussions on three fronts: The Coalition will encounter a DC leadership that has great support from its grass-roots level, President Frei will have the assurance that relations with the party will continue as they have been up to now, and the right will have to learn to be the opposition vis-a-vis a party with whose leadership it finds points of agreement in economic matters.

Lawmakers Note Need for 'Gradual' Military Salary Increase

PY1908183394 Santiago EL MERCURIO in Spanish 4 Aug 94 p C3

[Excerpt] Valparaiso—Members of the Chamber of Deputies Defense Committee have stated that this commission agrees unanimously on the need to improve the salaries of Armed Forces and Carabineros personnel. They specified, however, that in keeping with the agreement with the government, the increase would be granted in a gradual manner.

This was reported yesterday by Defense Committee Chairman Mario Hamuy (DC) [Christian Democratic Party] and Deputies Baldo Prokurica and Luis Valentin Ferrada, both RN [National Renewal] members, after holding a special session with Budget Director Jose Pablo Arellano to discuss the impact of the Armed Forces and Carabineros economic needs on the budget, which will be discussed soon in Congress.

Regarding the defense budget and the resources being invested, Arellano explained how the Armed Forces and Carabineros budget has evolved over the last few years and this year.

He showed some charts comparing the remunerations of Armed Forces personnel and those of the police forces, and their needs with those of the Single Salary Scale and other public administration sectors, and noted that there are no great differences. He did mention, nevertheless, that there is room for a possible improvement.

In compliance with a Chamber of Deputies mandate, the Defense Committee has studied the issue of salaries in the national defense sector with the Navy and the Air Force. On 29 August it will study the issue in the Army and Carabineros.

According with what Armed Forces institutions have proposed to the Defense Committee, there are notable differences between Armed Forces salaries and those of other public sectors, because according to background information that has been supplied their salaries have since 1981 experienced a loss in purchasing power ranging between 30 and 35 percent in real terms. [passage omitted]

Ecologists Negatively Evaluate NAFTA

PY2308192294 Santiago LA TERCERA DE LA HORA in Spanish 13 Aug 94 Economic Section p 2

[Text] Leaders of different national ecological organizations, headed by Manuel Baquedano and Coral Pey, yesterday handed Finance Minister Eduardo Aninat a negative evaluation of the ecological and social impact of NAFTA in Mexico, the United States, and Canada just six months after its implementation.

The evaluation was prepared by representatives of labor, environment, and human and civil right organizations. The report says negative effects on employment, low salaries, and the overexploitation of natural resources were caused by NAFTA.

The issue was also discussed in the International Meeting For a Continental Social Agenda in Mexico on 22 and 23 July.

The leaders said a declaration of the Action Network for an Initiative of the People was signed by several countries. It expresses concern for countries that will probably sign the treaty—especially Chile because "NAFTA was negotiated by governments, without the involvement of other organizations. It has violated social, labor, and environmental rights."

Baquedano said later that Minister Aninat asserted that the government will not sign any agreement but will protect the overall interests of the nation.

Paraguay

Opposition: Administration's First Year Not a Success

PY2408001794 Asuncion NOTICIAS in Spanish 14 Aug 94 p 10

[Text] Opposition groups have characterized the first year of the Juan Carlos Wasmosy administration as devoid of achievements, because at no time has he fulfilled the government program brandished during his electoral campaign.

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According to opposition spokesmen, there is "regrettably" an unfavorable balance in the political and economic areas, and especially in social programs. The spokesmen said that the president should take note of social problems, which have multiplied and have become aggravated lately, with no solution in sight. The problem is especially bad in the judicial branch, which is filled with judges "tarnished" by corruption day after day.

Proof of the difficult situation affecting peasants, which has not been alleviated by agrarian reform plans, was the repeated closing of highways and the constant demonstrations by farmers in front of the Congress building, requesting the expropriation of land to overcome the lack of a government program to take them out of poverty.

Privatizations: One Big Headache

One of the most controversial issues during this period, an issue that the Wasmosy administration has not been able to solve temporarily or definitively, has been the issue of the privatization of deficit-prone public companies. The government is determined to promote the privatization of state companies that are running in the red as well as profitable ones.

The opposition has nevertheless expressed hope that the situation will be solved quickly, adding that this will be possible only if Wasmosy gets rid of what is called the "politically backward" group surrounding him, besides other "friendly entrepreneurs" who manage large economic interests and impose policies on the government.

Official groups evaluated the first year of the Wasmosy administration with caution, but said that it could in no way be considered as having been lacking in achievements.

Government 'Determined' To Privatize Companies

PY2308232094 Asuncion NOTICIAS in Spanish 14 Aug 94 p 10

[Text] President Juan Carlos Wasmosy's administration is determined to carry out the privatization process and transfer several deficit-prone public companies to the private sector. This determination is included in a document the executive branch Information Directorate released on the first anniversary of the current constitutional period [15 August 1994].

The document reviews all government initiatives in all national areas during the first 12 months of administration. The document says that the first year of the Wasmosy administration "can be considered a year of sowing, and what has been sown will be harvested in coming years."

According to the presidency, the Armed Forces fulfill the mission assigned to them in the Constitution and the law, which is to guard our territorial integrity. It does not mention, however, the lack of definition of the public forces' role.

The document stresses that the government has inherited a structure that has serious limitations in sustaining growth levels according to needs and expectations, although stressing the existence of an Immediate Action Plan.

The document says that the executive branch plans to earmark greater economic and financial support for agrarian reform.

The document makes a special note of the recent summit of Mercosur [Common Market of the South] member countries, during which Paraguayan negotiators obtained important initial concessions.

State Companies Unable To Pay Debts; Privatization Urged

PY2408021894 Asuncion ABC COLOR in Spanish 14 Aug 94 Economic Section p 17

[Text] Finance Minister Crispiniano Sandoval, referring to the "temporary" inability of some companies to pay their foreign debts, yesterday stated categorically: "The public has to decide what it wants, and whether to continue subsidizing these companies with their taxes, because the burden affects even social groups that have nothing to do with the services these companies provide, such as water, telephone, or Merchant Fleet transportation."

The minister warned that the state at present has serious limitations in continuing to give money to public companies operating in the red. Sandoval said that the government is promoting the privatization of these companies in order to free the Treasury from this burden.

"The state has paid very large debts produced by these companies. The INC [National Cement Industry] has an (internal) debt of more than 500 billion guaranies, and has to pay nearly 90 billion guaranies in interest per year. The Treasury is also paying nearly $6 million a year for the Merchant Fleet," the minister said.

Sandoval said that the Merchant Fleet and the railroad system have their days numbered if they are not renovated, unless the state continues to subsidize them.

"I think society, or citizens in general, must ponder if they are willing to continue to put out money in the form of taxes to sustain these companies. We hope the program of state modernization will contemplate the elimination of the burden occasioned by public companies' drain on the public purse," Sandoval said.

"Short Delays"

Today Antelco [National Telecommunications Company] has to pay a debt of $13 million, but is unable to do so. The INC must pay $5 million, Corposana [Water and

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Sanitation Corporation] $4 million, and the Merchant Fleet $7 million to service their foreign debts.

Minister Sandoval admitted that "some disbursements have been postponed, which does not mean they cannot pay. They have to find the cash or reorganize their financial programs to be able to pay their debts."

The minister added: "Utility rates have been adjusted to enable these companies to fulfill their obligations, internal or external, without problems. I hope these companies implement measures and reschedule the payment of their debts."

Asked about the reasons for the postponed payments, Sandoval said: "We have noticed a momentary financial imbalance, which could be only temporary, perhaps because companies were not able to collect their own bills, or some other factor. You must ask the companies with temporary financial problems why they are delaying their payments." Asked if the delay is not caused by national economic problems, Sandoval said that the national economy does not have any effect, as these companies offer a service and collect their money every month. The minister said that consumers are also fulfilling their obligations with these companies in a normal manner.

"Besides, the current economic situation is not so bad. There is a recovery on the way. We have growth, which is not satisfactory, but is reasonable. We have macroeconomic balance, inflation is dropping, the balance of payments is positive, and our fiscal situation is balanced. Our trade deficit is also dropping, and we are almost up to date with our foreign debt, except for these short and temporary delays," the minister concluded.

Peru

Fujimori Removes 'Disloyal' Wife From 'Post as First Lady'

PY2408035994 Madrid EFE in Spanish 0320 GMT 24 Aug 94

[Text] Lima, 23 Aug (EFE)—President Alberto Fujimori announced tonight his decision to remove his wife, Susana Higuchi, from her post as first lady, considering her "disloyal, and influenced by people in her inner circle" with whom he did not identify.

In a message to the nation broadcast over radio and television, Fujimori said that from now on his wife may conduct her political activities in open opposition to the government, wherever and whenever she sees fit, as any normal citizen, "but not as first lady."

Fujimori Announces 'Total Antinarcotics War'

PY2308164994 Madrid EFE in Spanish 0042 GMT 21 Aug 94

[Text] Lima, 20 Aug (EFE)—Peruvian President Alberto Fujimori has said that the Armed Forces and the police have undertaken a total antinarcotics war, especially now that terrorism is retreating.

He said this antinarcotics war is being waged using our own resources because foreign aid is minimum and the U.S. radar installations in the Peruvian jungle were withdrawn last May.

Fujimori said Peru is not economically able to acquire this type of radar, which allows the detection of the planes used by Colombian traffickers to collect drugs from Peru.

Fujimori said the re-installation of radar units makes more sense for consumer countries than fighting trafficking in their own territory.

Concerning the criticism by his wife Susana Higuchi over two former ministers who accepted bribes after she refused $100,000 to approve certain projects, the president said that he would rather "remain outside the issue."

He said the accusations are vague and should have been made at the time the supposed corruption took place. He added that Special Judge Julia Eguia, who questioned the first lady of Peru, said the latter did not provide any evidence, only "indications."

Fujimori said that the skepticism prompted by the first lady's accusations affects Peru's internal and external image.

The president urged everyone to report acts of corruption because it is the duty of all Peruvians.

Amnesty International: 4,000 Political Prisoners in 1994

94SM0437A Lima LA REPUBLICA in Spanish 21 Jul 94 p 4

[Text] Amnesty International believes that there were no fewer than 4,000 political prisoners in Peru in 1993, including 200 prisoners of conscience.

This figure would appear to be excessive, but Amnesty International representatives explained yesterday that it includes all persons in custody that year under the terms of the antiterrorist law.

In other words, it includes those persons accused of terrorism or of complicity with terrorism—men and women who were imprisoned but never brought to trial and therefore never convicted.

The Amnesty International report on Peru corresponding to the year 1993 states that the number of prisoners of conscience—that is to say, those persons unjustly imprisoned for defending their political, religious, or other beliefs—reached 200 that year.

It was stated yesterday, however, that this figure may have increased this year to 250.

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Amnesty International points out that these prisoners of conscience were either awaiting trial or had been judged by means of procedures that are not in compliance with international standards.

The report also discloses that last year in our country, 49 persons "disappeared" and 27 were executed extrajudicially.

It also stated that "numerous cases" of torture had been alleged in 1993.

It further stated that the Peruvian authorities had been investigating—but failing to solve—thousands of previous cases of violations of human rights.

Many of these cases were shrouded in impunity, including the one involving the disappearance and murder of a professor and nine students of the University of La Cantuta.

Amnesty International says that in 1993 the death penalty was applied more widely, while Shining Path and the MRTA [Tupac Amaru Revolutionary Movement] continued to perpetrate widespread abuses including torture, premeditated and arbitrary murder, and the taking of hostages.

The report made the general statement that both terrorist groups—which it describes as armed insurrectionists—continued last year to launch widespread armed attacks.

It asserted, however, that these attacks had become less frequent "since the success of the government's counterinsurgency operations."

The report then gives an almost itemized account of a succession of events, such as Shining Path leader Abimael Guzman's request for a peace accord and its rejection by President Fujimori.

It also states that as of the end of 1993 there were in Peru approximately 200 prisoners of conscience and possible prisoners of conscience, and demands their liberation.

"All of these prisoners," the report indicates, "were arrested on terrorism-related charges, but their arrests appear to have been politically motivated.

"The majority of these persons," it adds, "have not been brought to trial."

The report also states that in 1993 at least 2,000 persons accused of terrorism were being held in prison, and that "because of the authorities' lack of resources" there was no indication as to when their trials would begin.

The Amnesty International report also says that in 1993 the security forces continued to cause "disappearances" and to carry out extrajudicial executions, although on a smaller scale than in previous years.

"The 49 disappearances that were reported last year," it states, "remained unsolved."

In this connection, the report cites the cases of the students Rony Guerra Blancas and Milagros Flor Tupac and alleges that they disappeared after being kidnapped in Huancayo by civilians presumably linked to the Army.

Oscar Pena, treasurer of the Peruvian section of Amnesty International, hailed the release of several of the so-called "prisoners of conscience."

Pena said there has clearly been a "significant" decrease in the number of disappearances.

He used a graphic to show that there were 300 disappearances in 1991, 139 in 1992, but only 27 last year.

He declared that the international standards for antiterrorist legislation are not being complied with.

Amnesty International exhorted the government to amend the antiterrorist legislation in order to bring it into compliance with those standards.

For his part, Luis Gonzales—president of the Peruvian section of Amnesty International—disclosed that throughout 1993, human rights activists were increasingly in the line of fire of their respective governments.

Minister Announces Visit by Argentina's Menem

PY2008014994 Madrid EFE in Spanish 2220 GMT 19 Aug 94

[Text] Lima, 19 Aug (EFE)—Peruvian Foreign Minister Efrain Goldenberg announced today that Argentine President Carlos Menem has confirmed he will visit Peru in late October or early November.

Goldenberg, who is also the president of the Council of Ministers, said President Menem's visit was confirmed by his Argentine counterpart Guido di Tella by phone on 17 August.

Goldenberg said: "Foreign Minister Di Tella told me by phone that Menem postponed his trip due to the internal political events and that he will certainly visit us in October or November this year."

Menem was scheduled to visit Lima at the end of July but his trip was suspended because of the terrorist attack against the Israeli mutual association in Buenos Aires a few days earlier.

Menem's visit represents a full normalization of bilateral relations following the institutional coup by President Fujimori in 1992, which was harshly condemned by Menem.

The government that was established after the coup lasted until 1993 when elections—supervised by the OAS—were held. They served to elect a new Congress, to install new national officials, and to approve a new Constitution through a referendum.

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Perez de Cuellar Interviewed

PY2308150094 La Paz PRESENCIA in Spanish 14 Aug 94 p 5

["Exclusive" interview with former UN Secretary General Javier Perez de Cuellar, by Marcel Gonzalo Unzueta in La Paz; no date given]

[Text] [Gonzalo Unzueta] You are one of those prodigious Latin Americans who reached the summit of his career. As a former UN secretary general, what is your vision of Latin America?

[Perez de Cuellar] I have visited many developing countries. I have done more than just visit Africa and all the developing Asian countries a few times, I also know all about our Latin America.

The flourishing countries of southeast Asia (Malaysia, Singapore, Thailand, Taiwan) and Korea are emerging with great potential.

I would say that Latin America will be the next continent to move toward development.

I am convinced that this progress is fully linked with democracy. Under dictatorial regimes progress was a farce. We are now making progress in economic and social areas.

One cannot talk about sustained economic development without also talking of sustained social development.

We are on that path. One country may be more advanced than others, but this is not a race to see which country is best. Sometimes the furthest behind at the beginning makes most progress. This is the case of Bolivia.

Bolivia was considered along with Haiti as the most backward in Latin America from the economic point of view. Bolivia is now moving ahead very fast. This is not a horse race, each country should take advantage of its opportunities, of its economic and international surroundings to progress.

This is why I have so much faith in Latin America while there is an authentic democracy and respect for human rights. This is very important. It gives us credibility abroad.

Let me give the example of Peru and Bolivia. These countries have great potential wealth. There is no great private wealth in these countries, therefore we have to resort to foreigners for investments.

The idea is not to open the doors to just any foreign investment. Governments must be wise to prevent us from becoming colonies of foreign capitalism.

Capitalism should be used to create "joint ventures" and to attract the necessary capital to develop what wealth we have.

[Gonzalo Unzueta] The new international order was seen as an opportunity for Latin America to become a part of it. Now that several years have passed, is the continent ready to face a future which seems threatening?

[Perez de Cuellar] I do not believe there is a political or economic threat to this part of the continent, which logically would appear from the north. The universal political thought has changed in the sense that it is very difficult to talk about a central power, colonialism, imperialism, or economic subjection. These concepts have gone.

A great deal depends on our defense ability. The way to face the danger or threat, as you call it, is through unity, the integration of Latin America. We have a common legacy which is our language and our culture.

We should not fear if we act together, if all the countries from Mexico to Chile and Argentina move toward integration, cooperation, and solidarity.

NAFTA is already an indication. It will not stop with Canada, the United States, and Mexico, it will slowly cover the entire continent.

Trade relations can create close links that will help to solve political problems.

[Gonzalo Unzueta] Integration is an important issue in Latin America. How viable are the Andean Pact and Mercosur [Common Market of the South]?

[Perez de Cuellar] The ideal would be for the Andean Pact to return to its original number of members: Venezuela, Colombia, Ecuador, Bolivia, and include Chile which unfortunately left. It would be ideal if we could consolidate the pact. It would be a regional element to balance Mercosur and would perhaps allow us to join the NAFTA sooner or later.

The ideal would be for the Andean community to become an economic and political unity.

Speaking from the point of view of the United Nations—the organization I headed as secretary general for 10 years—I believe the regions will become more important from the multilateral and global point of view.

In Africa for example, there was the problem of Somalia, there is currently the problem of Rwanda, there were problems in Nigeria, there are problems in Angola but not very big, and the problem of South Africa has practically been resolved.

There are problems as to how to face these situations. For example, when efforts are made to set up a peacekeeping force for Africa, contacts are made with the European countries but there is always the suspicion that Europeans (France, England, and Belgium) are interested in regaining control over their old colonies. If the problem is in Europe—like the case of the ex-Yugoslavia, or between Armenia and Azerbaijan, or in Georgia or Macedonia—the United States steps in.

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I believe the solution lies in strengthening the regional organizations.

Let us return to our case. The OAS has a distressing weakness. It has no authority because it has no resources.

Its budget depends on the American contribution.

Regional organization should be strengthened so that they become the first option for solving the regional political problems. The United Nations should be the last option, not the first.

I believe coordination and solidarity between the regions will be very important in the next century. The ideal would be to let the United Nations deal with great global problems: environment, overpopulation, infectious diseases, drugs, and terrorism. In other words, problems that go beyond borders.

[Gonzalo Unzueta] The continent is facing drug trafficking and terrorism. Could they create an explosive situation?

[Perez de Cuellar] I don't think so. There is a shared responsibility between countries that produce the raw materials and consumer countries. The United States has very little authority over Bolivia, Peru, and Colombia on trafficking issues at the same time it has millions of drug consumers.

There was prohibition against alcohol consumption in the United States in the 1930's, so why should there not be drastic prohibition against the use of drugs? It is very easy to criticize and threaten the three countries but the United States continues to be the largest consumer market.

Unfortunately drugs come from developing countries, but what are consumer countries doing to end this scourge? They do very little. They do not understand our situation. They do not understand that our peasants sell a kilogram of coca for I don't know how much money, but for growing potatoes they get nothing.

The coca replacement program looks good but is not easy to implement. A very productive crop like coca should be replaced by another crop just as productive.

[Gonzalo Unzueta] As a former UN secretary general, what is your opinion on the UN approval of the invasion of Haiti?

[Perez de Cuellar] As a former UN secretary general, I regret the decision. It seems a very negative precedent in a part of the world that jealously guards its sovereignty. Second, I believe it will be bloody. Maybe most people support [as published] the military junta but unfortunately the junta has a large force. The use of force always hurts those who are already suffering the economic sanctions, not the guilty ones who in this case are the members of the military junta who continue to drink champagne and to eat well. The Haitian people are suffering. Resorting to military action seems regrettable.

Also, I doubt there will be any important participation from Latin American countries. They will greatly resist the formation of a force to invade a sister country, even if the action is theoretically justified. Haiti has an illegal, repressive government, but this is a matter of personal preferences.

One day the UN Security Council may decree that Bolivia has an oppressive government and for personal reasons order military action.

Through that resolution, the United Nations is assuming a responsibility that I, as a former UN secretary general, believe is very risky. Something similar happened in Somalia and it was a failure.

[Gonzalo Unzueta] Another point of conflict in Latin America is Cuba. What is your opinion of this situation?

[Perez de Cuellar] I am deeply non-Communist. I am not against anything. Being anti-something is not positive. I don't agree with the Cuban policy or with Commander Fidel Castro but I believe that to resort to a Haitian style solution would be just as wrong.

That General Cedras is rightist or that the other man is center-leftist does not change the juridical, and political figure. I believe every effort should be made to encourage Cuba to resolve its problems by itself. It is better to wait until the Cuban Government understands that it must change its economic policy to give its people the well-being they deserve.

[Gonzalo Unzueta] One of the issues discussed in Latin America is solidarity. This time, however, the topic did not appear in the face of this dramatic situation. There was no reaction against the Torricelli Law to make the United States more flexible toward Cuba.

[Perez de Cuellar] Even in a country like Iraq, which attacked a small neighboring country, you can see that economic sanctions—no matter how justified—does nothing but punish the population. The blockade of Cuba is perhaps one reason why it continues to be the regime it is. The strangest regime in the entire world. Even North Korea maintains more flexible positions.

[Gonzalo Unzueta] You said the United Nations should concentrate on solving global problems. What will happen to the regional problems, specifically the maritime claim submitted by Bolivia to the UN General Assembly every year?

[Perez de Cuellar] It is also submitted to the OAS. The United Nations will tell you that this issue will be discussed by the OAS. They throw the ball to each other because this is an explosive issue.

The United Nations can also say this is a juridical problem and suggest why not resort to the International Court of Justice. The United Nations intervenes only when the parties agree, if they ask for intervention as mediator to solve the problem.

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But there is no precedent that the United Nations has taken the initiative for action except if there is a humanitarian pretext when people are killing each other. If this is not the case the United Nations does not intervene.

[Gonzalo Unzueta] Based on your international diplomatic experience, do you believe Bolivia will get a sea outlet through a Chilean port?

[Perez de Cuellar] Bolivian history is independent. Bolivia had a sea outlet. The Bolivian claim is a demand that is justified by history. Obviously, you have that right, and I believe every Bolivian will defend that right to the death.

[Gonzalo Unzueta] A Palestine-Israeli agreement by which Israel gave back the Gaza Strip was recently signed. Could a situation like that occur between Bolivia and Chile?

[Perez de Cuellar] I believe so. If you can get the Chilean Government to negotiate on this issue, I cannot see any problem.

Chile will talk about the agreements signed, adding that they should be respected. It is a question of negotiation; the two countries should reach an understanding for solving the problem.

This is a problem that seriously affects relations between the two countries, and it is in the interest of the Andean countries to solve this problem.

[Gonzalo Unzueta] Would you dare draw some kind of strategy of negotiations for Bolivia with Chile?

[Perez de Cuellar] It is very difficult. Never forget we were both victims of a war, and Peru also lost territory. We lost a considerable amount of territory. That request would have to be made to some personality...to the Pope, for example, as was done by Chile and Argentina.

The agreements signed by Bolivia and Chile must be overcome by the will of the two countries. It is a difficult problem, and I understand you never forget it and always keep it alive.

Perez de Cuellar Becomes 'Independent Candidate'

PY2308184494 Madrid EFE in Spanish 2015 GMT 21 Aug 94

[Text] Lima, 21 Aug (EFE)—Former UN Secretary General Javier Perez de Cuellar announced today in Lima his presidential candidacy for the Peruvian general elections scheduled for 9 April 1995.

"I am an independent candidate, I am an independent man," said Perez de Cuellar during a speech at the autonomously governed Villa El Salvador district which was his first stop in Lima after a tour of the Peruvian southeast and south that began on 14 August when he returned to Peru from Bolivia.

This was the only reference by Perez de Cuellar to his presidential candidacy in a speech before the monument to social leader Maria Elena Moyano, "Mother Courage," the former deputy mayor of Villa El Salvador, who was murdered by Shining Path terrorists in February 1992.

Perez de Cuellar spoke before a large crowd in Villa El Salvador, which won the Principe de Asturias de la Concordia award in 1987. He arrived from Ica, 300 km south of Lima, where he stayed overnight after a trip by land from Arequipa which is more than 1,000 km from this city.

National Commission Established To Rebuild IU

PY1908211094 Lima LA REPUBLICA in Spanish 2 Aug 94 p 7

[Excerpt] In keeping with the task of recreating the party of the masses that the United Left [IU] was in its time, it was decided last night to establish the IU Reconstruction National Commission [Comision Nacional de Reconstitucion de la IU]. This commission temporarily comprises Alfonso Barrantes Lingan, Alberto Moreno, and Agustin Haya de la Torre.

It was also decided to collect 250,000 signatures to register the renewed IU at the National Election Board, and to reactivate and reorganize the party district and provincial committees nationwide within a 45 day deadline.

After several months of negotiations and consultations among national leaders of IU member parties, it was established that the IU must regroup to promote fundamental tasks like the development of the nation and the achievement of democracy based on the prevalence of civilian and political freedoms.

A communique signed by Agustin Haya de la Torre, coordinator of the newly established IU National Reconstruction Commission, notes that the reestablishment of the political movement will help to strengthen the antidictatorial front and the vast democratic spectrum that opposes the Constitution compiled by the CCD [Democratic Constituent Congress].

The communique states: "We want to resume the path established by the Left with its example: The leadership of municipal power at the service of the people, the defense of democratic freedoms and human rights." [passage omitted]

Energy Minister Details Public Services Plans

94SM0437B Lima LA REPUBLICA in Spanish 17 Jul 94 p 8

[Unattributed report on interview with Energy and Mines Minister Daniel Hokama in Quito, date not given]

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[Text] Quito, 16 July (EFE)—By mid-1995 the Government of Peru will have achieved its objective of selling all state enterprises that engage in production, yielding the government a total of approximately $2.6 billion. This was announced today (Saturday) in Quito by Peruvian Minister of Energy and Mines Daniel Hokama.

Beginning today, Hokama—the government's supreme authority in the privatization process—will participate in a meeting of the Latin American Energy Organization (OLADE).

Hokama explained that the amount realized to date from the sale of half of the 120 state enterprises does not include commitments to invest approximately $3 billion, and that it approximates the level of losses that these enterprises recorded four years ago.

"None of these enterprises showed a profit in 1990, except for those in the banking sector," the energy minister declared in an interview he granted to two local newspapers at his country's embassy in Quito.

Hokama emphasized that the Peruvian privatization process "is open and aboveboard, because it has a management that is technical and not politicized" and that was installed immediately after his country "had basically found itself in a terrible and unimaginably difficult situation."

"The process is recovering now, especially in terms of optimism and hope," he said, adding that "public support for the privatization process has never been less than 60 percent of the population."

He acknowledged that the success of the government's campaign against instability and terrorism—and the desire of the community "for a government that is determined to make these changes"—were instrumental in obtaining this result.

As for the initial social cost of the privatization process, Hokama said he had no concrete figures but maintained, for example, that for the past six months unemployment has been declining.

The energy minister added that the goal is a nation "strong though small, a nation dedicated to achieving a balance between production and consumption, between companies and their customers—a nation in which the beneficiaries are the people."

"This is an important conceptual change," he declared, "because in our view there are no strategic companies; instead, there are strategic sectors that will benefit the community rather than the companies, because what is truly strategic are fuel and cheap electric power that is available when needed, of good quality, and in sufficient quantity."

He emphasized that the model of the free market and competition "encourages efficiency," but said its focus is not the fight against monopoly "but rather the fight against the abuse of monopoly."

According to Hokama, "the investor should have an adequate return, and this requires a regulatory agency that is strong but completely independent and that will maintain a balance without protecting the consumer to the detriment of capital nor permitting the abuse of monopoly."

He said that in this context the Peruvian state has become stronger and is also carrying out a $300 million program of health, education, justice, and highway construction "entirely on the basis of small-scale projects distributed throughout the nation."

For this year, he said, "plans call for $850 million of the proceeds from privatization to be invested in public services."

Fifty percent of the Peruvian population does not have access to electricity, and the proceeds from the sale of the installations of the electric power sector will serve to close the circuit, so to speak, but without subsidies.

"In a market economy," Hokama said, "you have to pay for what you get, because solidarity does not mean dividing up poverty. We understand that it is difficult to ask people living on the margin to pay real market rates, but if they are unable to pay they will have to optimize the use of these services: they will have to economize."

He said, for example, that Peru's breweries have a total annual revenue of approximately $1 billion compared to $700 million for the electric power companies.

"These are aberrations," he declared. "It is not that we are opposed to the consumption of beer, but instead of drinking three beers we shall have to limit ourselves to two, and in this way we shall enhance our solidarity."

Sixty percent of the properties acquired by the new owners was by means of sealed bids and 30 percent on the stock exchanges, with payment in installments over three years. The remaining 10 percent went to the workers of the enterprises that were sold.

"We are certain that this is the correct way to go," the minister of energy and mines declared. "The people are wise and know where we are taking them. No one can change Peru's destiny now."

Ex-Minister Urges $300 Million for Agriculture Support

94SM0437C Lima EL COMERCIO in Spanish 18 Jul 94 p E8

[Interview with former Minister of Agriculture Carlos Amat y Leon by Carmen Sandoval Coronado: "Restructuring of Agricultural Debt Like a Pendulum"; first two paragraphs are EL COMERCIO introduction]

[Text] Carlos Amat y Leon, professor and principal researcher at the University of the Pacific, needed only three months (from July to October 1990) to decide that the policy the present government was planning to

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implement—primarily in the agricultural sector—was not in accord with his analysis of the crisis that has beset Peruvian agriculture for the past two decades.

Having returned to the university classrooms, the former minister of agriculture customarily opens his classes these days with newspaper in hand and poses questions about the economic situation. He does so, he explains, because his mission is to induce his students to apply all these long hours they are investing—in the study of macroeconomics, econometrics, and mathematics—to an interpretation of reality that will enable them to make entrepreneurial decisions. Amat y Leon this week returned to the attack and initiated a discussion with his students on an issue that is in the forefront of the news—the restructuration and rectification of the agricultural debt—which he insists must be understood in a broader context, namely that of financing.

[Sandoval] Many have hailed—and others have criticized—the recent emergency decree that mandates the refinancing of the agricultural debt. What is your reaction to this measure?

[Amat y Leon] It tells me several things—first of all that there is a desire to conclude the process of liquidating the Agriculture Bank. It also tells me, however, that there is an awareness of the liquidation commission's inability to collect a debt and an unwillingness on the part of the previous borrowers to pay off their obligations. I believe, however, that this is merely one detail of a greater problem, namely the problem of financing.

[Sandoval] There is constant talk about the problem of financing. Is it possible that the increase in agricultural production has not solved this problem?

[Amat y Leon] Allow me to cite some official figures. The National Agricultural Information System acknowledges that as of December 1993, of a total of 928,845 hectares of land available for agriculture and livestock raising on the coast, 215,000 hectares remained idle. If these figures are broken down and the land not suitable for cultivation is subtracted from the total area, there remain approximately 56,000 hectares on the coast that are suitable for intensive farming, of which 14,000 hectares are not being utilized. Why not? Because of a lack of economic resources and financing.

[Sandoval] At any time have you disagreed with the closing of agricultural banks?

[Amat y Leon] No, I do not object to their closure but rather to the concept of the new system of development banking. I am disturbed by the announcement—as if it represented progress—that there are already six agricultural banks and that there will be a total of 16 by year's end, because this cannot be compared to the 536 service locations—consisting of 32 branches, 142 agencies, and 362 windows or cubicles—that were operated by the Agriculture Bank, not to mention the 150 offices of the National Bank.

[Sandoval] Are you therefore criticizing the disappearance of the Agriculture Bank?

[Amat y Leon] What I am criticizing is the irresponsible decision to dispense with an institution that operated a complete network that extended to every part of the country, especially when there were debts that remained to be collected. I believe that at the very least, the experience of no fewer than 500 technical experts in the area of agricultural credit and guarantees should be utilized to form Loan Committees that could now be directing the agricultural banks and commercial banks in the work of prequalifying those farmers who deserve to receive loans.

No One Wants This Burdensome Portfolio

[Sandoval] One of the omissions detected in the policy publicized last Thursday is the task that the government has entrusted to third parties—to commercial banks or agricultural banks—namely, the task of collecting this debt. Is it possible that the transfer of this burdensome portfolio will actually take place?

[Amat y Leon] This is a big swing of the pendulum in the other direction...because if we acknowledge that if there are only six agricultural banks and that these barely accumulate enough surplus to finance the successful farmers, it is illogical to believe that they will be disposed to divert funds and administrative talent to the task of collecting as much as the BAP [Agriculture and Livestock Bank] and the liquidation commission were able to recover during the past five years. On the other hand, the commercial banks—which finance only slightly more than 2,000 farmers—will not want to waste their time in a sector that they regard as undercapitalized and risky.

[Sandoval] Then who will do the collecting?

[Amat y Leon] The liquidation commission will have to do it.

[Sandoval] But the commission's term in office expires in December....

[Amat y Leon] It will have to do something unusual and very different from what it has done in recent years: for example, disclose to the nation the list of debtors and the exact amounts owed.

[Sandoval] Is it not perhaps frivolous to promise debtors—as an incentive to get their debt refinanced and repaid—that they will again be eligible for credit, even though lines of credit for agricultural producers are virtually nonexistent?

[Amat y Leon] The truth is that there is no way to bring pressure to bear to compel payment of the debts. The borrowers will swing the pendulum back again and continue to play the fool. Publishing the names of the debtors will therefore be more effective than offering the commercial banks this heavy portfolio, which is nothing more than a bare bone to gnaw on.

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[Sandoval] Then why publish a decree that cannot be implemented?

[Amat y Leon] It is simple matter to liquidate the bank, turn the page, and forget the whole affair.

Dependency in Food

[Sandoval] In a recent study you called attention to the unfavorable trade balance that exists between food imports and food exports as a result of the crisis in agriculture. Is this still true?

[Amat y Leon] During the past four years $400 million was spent on food. Even without being self-sufficient, our farmers should be receiving these sums as income. What is serious is the fact that this increase in imports has taken place even though real income per capita has been reduced by half as a result of the crisis.

[Sandoval] Aside from the electoral events that may take place from now until 1995, what specific measures should the government take to alter somewhat the course of the crisis in agriculture?

[Amat y Leon] Encourage the creation of commissions consisting of highly respectable agricultural producers in each zone so that they can assist in qualifying persons who are deserving of credit. Utilize the BAP's infrastructure and its experts in the area of agricultural credit. Transfer at least $300 million (almost 10 percent of the total value of the privatizations) to reinvigorate agricultural activity. The financing should also bear interest rates comparable to those offered on the international market, which means that the banks should reduce their spread [preceding word in English] (the difference between the interest they pay and the interest they receive).

[Sandoval] That is being demanded not only by agriculture....

[Amat y Leon] Here, the government must be as resolute as when it reduced the budget deficit, and the associated banks should improve their efficiency in order to compete with the private banks and induce them to lower their interest rates.

New Agro-Debt Restructuring Discussed

94SM0435A Lima EL COMERCIO in Spanish 15 Jul 94 p E8

[Unattributed Article: "Restructuring the Agro-Debt: New Attempt at Ending Long Story"]

[Text] In line with its announcement of 22 June 1994, the government yesterday refinanced the agro-debt that continues to be a headache for some 13,000 former borrowers of the Agrarian Bank of Peru (BAP). The debt prevents these growers from qualifying for scarce credit lines that gradually are beginning to appear in the commercial banking sector. According to Decree of Urgency 34-94, published in the official gazette, the debt—with a principal of $30 million but that has reached $300 million due to the high interest rates applied since 1990—will be refinanced by applying negative interest rates in domestic and foreign currency. Those who decide to pay off their debts in full will receive a 25 percent discount and be able to pay the remaining 75 percent with agricultural products to be delivered to the National Food Support Program (Pronaa). Despite the apparent advantages of this provision of the law, some analysts see certain weaknesses and criticize the measure, especially in a broader context, that of the financing of the agricultural sector. They ask who will really benefit by the reduction of the debt and, especially from a practical point of view, what is the purpose.

To ease what for many has become an uncollectible debt, the Executive Branch initiated yesterday the Special Program for Credit Reconstruction and Resolution.

Among other features, it orders that within a nonextendable period of 180 days the Liquidation Commissions of the Agrarian, Industrial, Mining and Housing Banks of Peru must conclude their respective liquidation and dissolution procedures.

The objective, explains Decree of Urgency 34-94, is to remove those debtors from the records who are not qualified to apply for loans from other lending agencies of the nation's financial system.

The program includes all of the BAP's debtors who were not covered by the two previous cancellations and refinancings that took place between 1992 and 1993.

The current refinancing will be effected in the currency (domestic or foreign) in which the loans were contracted.

For this purpose, the Liquidation Commission for the development banking sector (the Agrarian, Mining and Industrial Banks) has a period of not more than 30 days to restructure the debit balances.

The agro-debt increased ten-fold, after the Liquidation Commission applied much higher interest rates than were in effect in the world market.

This is why the state now considers fair a readjustment of debit balances with negative interest rates in domestic or foreign currency.

Thus, to the initial final debt (up to 31 July 1990) and debt derived from loans granted subsequent to that date, for purposes of liquidation there will be applied a Negative Interest Rate in Domestic Currency (TIPMN) or a Negative Interest Rate in Foreign Currency (TIPMEX).

However, debtors who avail themselves of this program will be required to pay not less than 5 percent of the new debt balance to the Liquidation Commission when they apply for refinancing.

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If they do not make this payment, they will automatically be excluded from the program and their loans will be subject to the conditions that were in effect on 31 May 1994.

The BAP's debtors have another option. If they want to pay their debts in full, which according to experts would reduce them by more than half, the restructured amount would automatically be reduced by 25 percent.

The remaining 75 percent can be paid in products such as rice, potatoes, dried beef, vegetables, and other products which would be turned over to Pronaa.

Pronaa will maintain a register and keep an account of the products it receives, the value of which will be considered a budgetary contribution to that agency.

Afterward, the Liquidation Commission, presided over by Cesar Hernandez, will issue certificates of cancellation to debtors who have paid off their debts.

These certificates will be sufficient evidence for Public Registers to cancel existing liens.

Advantage

The terms under which the Special Program for Credit Restructuring and Consolidation were established are advantageous, especially because debtors have to pay only 5 percent of the refinanced debt in September.

So stated Juan Pichihua Serna, a researcher with the Association for Agrarian Development (ASPA), sponsored by the Konrad Adenauer Foundation, who explained that current debtors are farmers with debit balances larger than $5,000.

"This means, for example, that if, after the application of negative interest rates, the farmer's debt is $5,000, he will have to make a payment of $250, an amount covered by the sale of 10 bags of potatoes," he explained.

Therefore, it assumes—it is not specified in the legal text—that the amount is what would be paid at the level of a small farm.

"The advantage of paying a debt with a negative rate of interest is that an amount with interest rates lower than inflation will be paid off," he said.

However, he believed that these benefits would not reach small farmers who took a chance and applied for capitalization loans to improve their irrigation infrastructure, because after the effects of the crisis in agriculture and of hyperinflation, they are no longer able to continue producing as before.

Pichihua pointed out that the transfer of the obligation to collect debts, refinanced or not, to other banks or rural lending associations, is a way of interesting agencies that are already showing some interest in investing in farm land.

Commercial Banks and Rural Lending Associations

According to the law published yesterday, after refinancing the debt, the BAP's Liquidation Commission will communicate with the Ministry of Economy and Finance so that it may transfer the loan portfolio to other banks or to rural lending associations.

Funds obtained through the collection of refinanced and nonrefinanced loans according to established procedure will be deposited in an account of the Fund for Agrarian Development, to be channeled into lines of credit for small farmers.

Another portion of Decree of Urgency 34-94 establishes that the Ministry of Economy and Finance will assume short-, medium-, and long-term foreign debts of the Agrarian, Mining, and Industrial Banks with commercial banks, that have come due or are about to come due.

The problems Are Not Solved

Jorge Gorriti Gutierrez of the Peruvian Center for Social Studies (Cepes) believes that there are a number of questions to be asked in connection with the virtual reduction of agro-debt.

One of them is to know the extent to which these decrees of urgency are useful in resolving the problem of agriculture.

To study the context, Gorriti reviewed the earlier refinancing that took place for debit balances of less than $5,000.

According to Supreme Decree 042 PCM (7 April 1993), the Liquidation Commission of the Agrarian Bank was ordered not to charge positive interest rates, but rather to calculate interest according to inflation indices plus 5 percent on all loans made before September 1990.

For loans made after September 1990, the same rates of inflation would be applied, plus 2 percent.

This meant that if someone became indebted for 500 soles in April 1990, that person would owe 13,161 soles in April 1993, while with the rate of inflation, the debt was reduced 6,526 soles, much less than half.

At that time, the condition to be met to avail oneself of that system was to pay 20 percent of the debt. "Before drafting this law (Decree of Urgency 34-94) it would have been interesting to know the results of the previous refinancing," Gorriti said.

At another point, the Cepes researcher thought that the cancellation of debit balances of $5,000 might apply to farmers who initially borrowed less than $1,000.

"If they are thinking about motivating these debtors by promising them that they will again become creditworthy, it would be worth while to find out first what lines of credit exist for them."

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Gorriti added that the benefits will go to medium and large farmers, but not to small farmers who have no access to commercial banks.

Minister Discusses Recent Mining Industry Boom

94SM0433A Lima EL COMERCIO in Spanish 15 Jul 94 p E1

[Unattributed article: "Mining Applications of Past 20 Months Equal Those of Peru's Entire History"]

[Text] The most explosive increase in applications for mining concessions in this country, involving a total of six million hectares, has occurred within the last 20 months, Engineer Amado Yataco, the vice minister of mines, has informed EL COMERCIO.

By way of comparison, the applications filed from the colonial era up to December of 1992, when the current boom began, involved a total of seven million hectares.

Regarding the complaints resulting from the suspension of acceptance of applications for mining concessions until this coming 31 December, Vice Minister Yataco explained that the Public Registry of Mines has not ceased operations, and mining transactions are pursuing their normal course.

He explained the suspension of acceptance of applications saying that, among other reasons, "a totally new authorization for mining concessions went into effect two years ago—an excellent and revolutionary system, not only for Peru, but one unprecedented anywhere in the world."

Confusion Among Enterprises

According to the representatives of one mining company, Amatista, this measure "is creating confusion among the various international mining enterprises, because it is the equivalent of changing the legislation already in effect."

These representatives said that companies like Noranda, Placer, Dome, TEC, and Rio Argon have expressed concern about the measure, because the juridical situation in Peru is still not stable, and this type of decree contributes to the destruction of the mining boom that had developed."

In response to these statements, the vice minister said that a complex of 100-hectare grids has been superimposed on the old concessions throughout the country. This has led to protests that must be dealt with first.

"The system established would be inefficient if the country were viewed as virgin in terms of concessions. In this instance, new applications for concessions, over and above those already granted, are being solicited," he explained.

Files in Dispute

He explained that it will certainly take some 10 or 15 years to resolve all of these problems of coexistence between the old and new systems. However, because of the large number of applications, there has also been a huge volume of protests. "These cannot be resolved by computer. Instead, expertise in the field is required to ensure the proper analysis of all of the protests that have been and will be filed."

He also explained that many concession holders have not had the coordinates in their applications authorized, so that the concessions have been declared abandoned.

"All of this creates a situational problem that must be resolved between now and the end of the year. We have to make decisions on the accumulation of 22,000 files in dispute. However, granting licenses is the most urgent task, so that the miners can be fully active, and this is being done," he said.

'Correcting' Cadastral Survey

With regard to the cadastral survey of the mining sector, he said that it is being "corrected" in order to classify the abandoned claims, those that have now lapsed, etc.

According to the Amatista Mining Company, the applications covering 5.441 million hectares represent $10.8 million in fees paid, "which sum should be used to update the Registry."

Concerning this detail, Eng. Yataco said that the current fee is $2 per hectare per year. "The purpose is not to obtain the $2, but to ensure that there is mining activity. In Chile, for example, this fee is returned once the plan is fulfilled," he commented.

Business Leader Urges Lower Taxes, Energy Levies

94SM0433B Lima EL COMERCIO in Spanish 15 Jul 94 p E1

[Unattributed article: "CONFIEP President Asks for Abolishment of Minimum Income Tax"]

[Text] With the conclusion of the meeting between the trade-union body and the government less than a week away, there are three issues on which the private sector insists. They are the elimination or reduction of the minimum tax on income, rebate of the selective consumers tax (ISC), and elimination of the macroeconomic distortions.

Arturo Woodman, the president of the National Confederation of Private Business (CONFIEP), sees the advances made by the government in dealing with inflation as major. "Twenty points have been gained on inflation, 20 will come from privatizations, but the bottom line for exports is zero."

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With regard to the minimum tax on income, he said that his union body asked the government to eliminate it yet once again, but the request was denied.

He added that the tax was implemented during a problematical era. However, it is now putting Peruvian businesses in a difficult position, creating an obstacle to their development, above all.

He added that the government says that "there is no money, and therefore a reduction that would be 50 percent, in an initial stage, was requested."

This reduction in the minimum tax and the rebate on the selective consumers tax would mean a loss to the state of about $150 million, the equivalent of 2 percent of the annual tax income.

"We are asking for a 50-percent reduction, as a first step, but the government says it does not have money. However, we know that there is tax pressure, which from the business point of view is great, and even from the point of view of the government, it is rather high."

Another issue on which the business sector is protesting to the government is the macroeconomic distortions. They have an even greater effect on the export sector and agriculture, which utilize a higher percentage of manpower.

The GDP and Taxes

On the subject of tax pressure, Woodman said that the government should reconsider its calculation of the gross domestic product (GDP). As calculated at present, the figure is $50 billion, making per capita income $1,700, which is excessive.

However, the business sector calculates the GDP at about $35 million, which would mean tax pressure of between 17 and 20 percent.

With regard to the selective consumers tax on fuels, Woodman said it is ridiculous to pay about $53 per barrel, while other countries pay less. One of these countries, Venezuela, pays $16. "The annual outlay for the ISC drawback would come to $65 million per year."

Another issue taken up by Woodman was the inefficiency of the ports, which are charging about $250 per container for loading.

Woodman emphasized the government promise to make rebate payments on the general sales tax in checks. Payment is currently being made by means of negotiable credit memoranda, involving a delay of about 60 days.

Agro-Development Aid From Banco de la Nacion Urged

94SM0433C Lima EL COMERCIO in Spanish 15 Jul 94 p E1

[Unattributed article: "Abolishment of Economic Development Bank a Government Mistake"]

[Text] The Banco de la Nacion (National Bank) offers a suitable means of correcting, in part, the elimination of the Development Bank, where the agrarian sector in the mountain region is concerned. This statement was made by Juan Carlos Hurtado Miller, a former economic minister in the present government, who described that measure as "a tremendous government error."

He said that the major difference between the rural funds and the banks is the compensation system used by the latter. As a result, some offices that are not profitable may exist, while others are," he commented.

Hurtado said that the government should assign initial risk capital to the rural funds so that in the future they can serve as a development bank.

He mentioned the supreme decree authorizing the National Bank to provide commercial banking services in places where the commercial banks have no offices. What is needed now, he suggested, is for these bodies to channel their own money and to make use of the individuals with extensive experience who worked for the Agrarian Bank.

He also termed the tax on assets, which is even collected on businessmen's debts, a "blind" measure. However, he added, this tax brings more than $160 million per year into the treasury.

Drawbacks

In connection with the drawbacks, or rebates on taxes paid by the exporters, which provides a rotating fund of $70 million, Hurtado said the funds should come from the national treasury, and not from the monies obtained from the privatizations.

Concerning the $6 billion the privatizations are expected to produce, he said that at least $2 billion should be allocated to agriculture for a three-year program and distributed among the coastal, mountain, and forest areas.

Stabilization will become development when the standards for the agrarian and mining sectors are clearly established," he emphasized.

Uruguay

Government, Opposition Dispute Mercosur Results

PY2308135694 Montevideo EL PAIS in Spanish 10 Aug 94 p 1

[Text] Comments by Julio Maria Sanguinetti, during a political rally, over the results of the Mercosur [Common Market of the South] negotiations last week in Buenos Aires have sparked a confrontation between the government and the Batllist Forum [Colorado Party faction].

EL PAIS reported yesterday that Sanguinetti expressed relief because "a situation has been overcome that could

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have led to the failure of the Mercosur, which is not feasible without Uruguay." He said the transition achieved within the negotiations "is what we have been demanding for the past few months," adding that he did not understand the government spokespersons who "harried us with the worse epithets having been spoken for about a five or six year period."

Sanguinetti's remarks have provoked a reaction within the government. Economy and Finance Minister Ignacio de Posadas said: "Very soon Sanguinetti will say Brazil became world [soccer] champions thanks to him." He recalled: "This Mercosur topic has been used electorally—and we are speaking concretely of Sanguinetti—but we do not play that type of game. The person who negotiates must dedicate himself to the negotiations."

De Posadas said the government had been accused of not defending national interests, but "the facts demonstrate that once again the accusations are untrue."

Foreign Minister Sergio Abreu warned that he did not want to enter the field of political chicanery, stressing that during the Mercosur negotiations "we were not supported by the Batllist Forum, although we were supported by other sectors including the Broad Front and the New Space Coalition."

Abreu added: "When the country negotiates, it is the country as a whole that does so," not any particular person.

The Batllist Forum's answer to the government's comments came through Hugo Fernandez Faingod, who spoke of a misinterpretation of Sanguinetti's remarks based on a front page headline of the newspaper EL OBSERVADOR ECONOMICO.

He asked: What success is the government celebrating today? He answered: "The success is the postponement of certain matters to 2001 and others to 2006. This is exactly what we have been demanding. Our demand does not differ from those of other sectors, especially of the Industrial Chamber."

Volonte Declared Candidate of Governing Party

PY2308125394 Madrid EFE in Spanish 1803 GMT 21 Aug 94

[Text] Montevideo, 21 Aug (EFE)—Alberto Volonte was this weekend proclaimed presidential candidate for the governing National or Blanco Party for the 27 November presidential elections. He called for the unity of his fellow countrymen and for sacrifice to "become" the best in the region.

During his address that closed the proclamation ceremony, Volonte said: "We Uruguayans must unite despite our political differences. We must sacrifice ourselves in order to improve our quality of life. It will not be easy, it will mean hard work, but if we are united we can become the best."

Some 9,000 people packed a gymnasium in downtown Montevideo where the ceremony was held. It was adorned with thousands of white and blue balloons, the colors of the National Party.

Volonte added: "Our objective, if we achieve the presidency, is to give priority to the people, the agricultural sector, trade, industry, and especially to knowledge; but without the required level of harmony we will achieve absolutely nothing."

Alvaro Ramos, former livestock, agriculture, and fisheries minister and candidate for the vice presidency, stressed that Uruguayans "only need the conditions in which to work, without heavy (fiscal) loads, to reinstall the country in the region and to produce the quality of which they are capable."

Volonte is a member of the Herrera faction of the National Party. His proclamation was made without reference to a decision of the faction's leader, President Luis Alberto Lacalle, who is promoting the candidacy of his friend Juan Andres Ramirez, a senator and former interior minister.

Uruguay's electoral law allows political parties to present several presidential candidates, the National Party has four contenders. The candidate that obtains most votes will be named president.

According to the latest polls, Volonte is the most popular National Party candidate, but the party currently occupies third place behind the Colorado Party—which is traditionally the governing party and which is currently the main opposition party—and the Broad Front.

Envoy to Costa Rica Becomes Aguirre's Running Mate

PY2308161694 Montevideo EL PAIS in Spanish 5 Aug 94 p 1

[Text] Dr. Raquel Macedo de Sheppard is Senator Gonzalo Aguirre's vice presidential choice for the November elections.

This unanimous decision was made yesterday during a political caucus of the Aguirre faction [the Renewal and Victory Movement, a faction of the Blanco Party] at a Montevideo hotel.

Macedo is the current Uruguayan ambassador to Costa Rica. She will return to Uruguay on 9 August to transfer her diplomatic post to another official.

Senator Aguirre called the ambassador in Costa Rica at about 1900 yesterday to tell her of the nomination as decided during the caucus. During their conversation, the ambassador formally accepted becoming a vice presidential candidate.

Aguirre told EL PAIS that Macedo's nomination was supported by the 42 groups comprising the Aguirre faction.

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During the caucus, a tribute was paid to Senator Bari Gonzalez for his political loyalty. He was nominated as the first alternate senator candidate. Aguirre will be the first senator candidate while Raquel Macedo will be the second senator candidate.

Venezuela

COPEI Endorses Caldera Economic Plan

PA2208005394 Caracas Union Radio Network in Spanish 0200 GMT 21 Aug 94

[Report by Zaida Pereira; from the "Union Radio News" newscast]

[Text] The Social Christian Party [COPEI] agrees with President Rafael Caldera's macroeconomic program. The party has admitted that Caldera's plan could pull Venezuela out of its current crisis.

COPEI Deputy Secretary General Orlando Contreras Pulido has said the overall opinion within the party is that this plan is the only means our country has to overcome the grave economic problems it is facing by securing foreign investments, resolving the deficit problem, and reactivating the economy.

[Begin Contreras recording] The coordination and planning minister has presented an economic plan that calls for economic opening, attracting foreign capital, and efforts to put an end to uncertainty, which has been the prevailing condition during the six months of this administration. I believe that through economic opening, through productivity, by encouraging competition, and by easing controls on activities that should not be controlled, the Venezuelan economy can be relaunched in order that all Venezuelans may have more and better opportunities in the near future. [end recording]

Contreras also believes that exchange controls should be maintained to safeguard international reserves.

Caldera on Granting Armed Forces Right To Vote

PA2408034294 Caracas EL NACIONAL in Spanish 20 Aug 94 p D-2

[Report by Luis Alonso Lugo]

[Text] President Rafael Caldera said it would be harmful to grant the National Armed Forces [FAN] the right to vote, "because insurmountable internal differences could arise, and those differences in the past have ruined other institutions, such as political parties, which have lost prestige, authority, and leadership in the national scene."

He made this statement during a speech at a meeting with Defense Minister General Rafael Montero Revette, Army Commander General Moises Orozco Graterol, and the commanders of the Tactical and Basic Isolated Units [Unidades Tacticas y Fundamentales Aisladas]. The meeting was held to review activities of the first semester of 1994 and took place at the Division General Isaias Medina Angarita Multiple Use Room of the Military Academy.

According to Caldera, if the FAN were to participate in the electoral process, it would become necessary for the troops to discuss the various candidates, and this would cast doubts on the FAN renouncing that right to ensure that all Venezuelans will be able to exercise it. [sentence as published]

In addition to hearing the various concerns of the commanders so as to offer immediate solutions to problems in the areas of personnel, intelligence, operations, and logistics, and to comply with their missions in various regions, during the meeting, to which the media were denied access, President Caldera said "the presence of the FAN is being felt in Venezuela as never before, because its members are strongly determined to comply with their duties through disciplined, firm, and conscientious actions."

The head of state said 80 percent of the new recruits have voluntarily joined to find work in the military service now that the training program allows soldiers to obtain a blue-collar job.

Suriname

Army Chief Gorre Considers Resignation

BR2308141394 Rotterdam ALGEMEEN DAGBLAD in Dutch 23 Aug 94 p 5

[Unattributed article: "Gorre Probably Quitting Army Prematurely"]

[Text] Paramaribo—Surinamese Colonel A. Gorre does not rule out the possibility of his resigning prematurely. This was confirmed by his spokesman yesterday [22 August].

Gorre took up his duties on 21 May 1993, after his predecessor Bouterse had resigned. Initially, the new commander said he was available for a period of two years, but he has now written a letter to President Venetiaan stating that he does not rule out an early retirement. He refuses to elaborate on his reasons, but it is assumed that his decision is partly due to the uneasy cooperation between Gorre and Defense Minister S. Gilds.

There had been quite a fuss about his appointment at the time, because a group of 20 senior officers refused to accept him as a commander. Venetiaan had to go to great pains to overcome the deadlock. Eventually, he had to request Parliament to corroborate the government's decision.

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